



**Judicial
Commission
of Victoria**

Annual Report 2020–2021



Judicial Commission of Victoria

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The Judicial Commission of Victoria acknowledges the Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land. The Commission also acknowledges and pays respect to their Elders, past and present.

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Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Judicial Commission of Victoria's Annual Report for the year ending 30 June 2021.



The Honourable Anne Ferguson
Chief Justice and Chair of the Judicial Commission of Victoria

Melbourne, October 2021



Message from the Chair

Over the last year, the Commission has provided a key contribution to integrity in public institutions by fulfilling its obligations to complainants, Victoria's courts and tribunal and the wider community.



The Commission has worked to deliver on its commitment to maintaining public trust through a transparent and consultative investigation process.

This year, 213 new complaints and referrals were received about the conduct and capacity of judicial officers and the Victorian Civil and Administrative Tribunal (VCAT) members. As in previous years, the vast majority of (75%) complaints investigated by the Commission were dismissed. The Commission must dismiss matters that are trivial, vexatious, relate to a person who is no longer a judicial officer or VCAT member, or relate solely to the correctness of a decision. Where complaints and referrals were not dismissed, the Commission proceeded in accordance with the *Judicial Commission of Victoria Act 2016*, including referring three matters to the head of jurisdiction and one matter to an investigating panel for appropriate action.

The Commission has been instrumental in providing an important independent voice to key issues facing Victorian Courts and VCAT. It has increased engagement with stakeholders, the wider community and complainants while adapting to new challenges and an ever-changing landscape.

In July 2020, the Attorney-General and I initiated a *Review into Sexual Harassment in Victorian Courts*. The Review was led by Commission board member Dr Helen Szoke. The Commission's involvement in the Review provided a unique perspective as a body that investigates judicial officers' conduct, which can include sexual harassment. The Commission accepted and has already begun work on implementing recommendations in the report.

In a year of ongoing challenges arising from the coronavirus (COVID-19) pandemic, the Commission has continued to adapt, improving partnerships with stakeholders and reviewing internal policies and processes. Despite delays as a result of the pandemic, the Commission is progressing with a review of its operations, budget and legislation, as well as looking at ways to improve communication and enhance transparency while fulfilling its statutory functions.

I would like to formally welcome to the Commission's Board Judge Jack Vandersteen. Judge Vandersteen commenced as President of the Children's Court of Victoria on 1 January 2021. The Commission will benefit greatly from Judge Vandersteen's insights and experience.

I would also like to extend my gratitude to the outgoing President of the Children's Court, Judge Amanda Chambers, who was a foundational member of the Commission's Board. I acknowledge her significant and valuable contribution to the Commission during her time as a member of the Board.

In closing, I wish to thank the Commission's Board members, the Director and staff for their dedication and commitment to the Commission's ongoing success. I look forward to seeing the organisation build on this success over the coming year.

I am pleased to present the annual report of the Judicial Commission of Victoria for 2020–2021.



The Honourable Anne Ferguson
Chief Justice and Chair of the Judicial Commission of Victoria

Message from Director

The need to adapt to changing times has never been more apparent.

As Director, a key focus for the year was managing a shifting environment internally and externally. This included bolstering external relationships with key partners in the legal sector through increased direct engagement and leading an ongoing review of the Commission's operations.

The review is to strengthen our values of integrity, transparency, independence and continuous improvement, while outlining a future direction. The first phase was undertaken during the year through interviews with staff, internal and external stakeholders and Board members and a review of representative complaints and outcomes. A range of immediate steps were implemented to increase efficiency and consistency in complaint handling processes.

The second phase of the review will continue to build on the interim findings and consider the wider legislative and governance framework of the Commission. It will also evaluate further the structural and budgetary needs.

One important change already implemented involves making early contact with individuals to explain the processes and any relevant jurisdictional limits. The Commission now also records all enquiries to better understand the needs of members of the public who have had an adverse experience in a court or tribunal. This is aimed in part at being able to tailor a response. This allows, for example, complainants to redirect their complaint to the appropriate body earlier and reduces processing delays.

This approach has also reduced the number of matters progressing through the formal complaints process, which improves response times for substantive formal complaints. This contributed in part to a 15% reduction in the number of total complaints from last year. The positive impact of this is that there are fewer delays in processing formal complaints. In 2020–2021, 213 new complaints and referrals were received, adding to the 113 complaints which remained open at the start of 2020–2021 (a total of 326). Of these: 233 were dismissed, two were referred to a head of jurisdiction, one was referred to an investigating panel, 18 were withdrawn and only 72 remained open as at 30 June 2021. The significant reduction in the number of complaints that remained open at the end of 2020–2021 compared to 2019–2020 from 36% to 22%¹ is also in part attributable to changes in complaint handling processes.

These figures show that by engaging more effectively to educate Victorians about the Commission's role, we can deal with formal complaints more efficiently.

The Commission has also increased its engagement with the legal sector. Through the review of operations, stakeholders were invited to provide feedback to the Commission. We also held 'meet and greets' and presentations on the Commission's operations to industry groups and jurisdictions. The Commission is developing an ongoing strategy to strengthen and broaden stakeholder engagement.

The Commission's contribution to the Review into Sexual Harassment in Victorian Courts (the Review) allowed us to strengthen relationships with colleagues across the sector while maintaining our independence. The crucial issue of keeping the workplace safe from sexual harassment is central to the Commission's role in raising awareness of acceptable standards of the conduct of judicial officers and VCAT members.

The Commission supports all the Review's recommendations. Guidelines outlining appropriate standards are in development. We are carefully considering the matters raised in the report to strengthen sexual harassment complaint and investigation processes. I would like to thank Judicial Commission Board member Dr Helen Szoke for her role in leading the Review.

The implementation of recommendations from the Review and the findings from the Commission's operational review will be a focus for this year. Our commitment to maintaining public trust in Victorian courts and VCAT is a process of continuous learning, engagement and adaptability.

Finally, I would like to thank the Board and staff for their support and hard work in continuing to strengthen our relationships with stakeholders and the Victorian community. I look forward to continuing to lead the Commission through the coming year.



Alexis Eddy
Director of the Judicial Commission

“
... by engaging more effectively to educate Victorians about the commission's role, we can deal with formal complaints more efficiently.
”

¹ As a percentage of the total of complaints dealt with in the financial year.

SECTION 1

Governance and organisational structure



01

The Judicial Commission of Victoria is an independent body established to receive and investigate complaints about judicial officers and VCAT members.



Snapshot of the Judicial Commission of Victoria

This annual report summarises the operations, performance and financial activities of the Judicial Commission of Victoria (the Commission) for 2020–2021. It also includes information and statistics that fulfil the mandatory reporting requirements contained in the *Judicial Commission of Victoria Act 2016* (JCoV Act).

The Commission's annual report is available on the organisation's website at www.judicialcommission.vic.gov.au.

Who we are

The Judicial Commission of Victoria is an independent body established to receive and investigate complaints about judicial officers and VCAT members.

What we do

The Commission investigates complaints about the conduct or capacity of judicial officers and VCAT members. It cannot investigate complaints about the lawfulness of decisions or procedural rulings. Any member of the public or the legal profession can make a complaint to the Commission. Complaints can be made by those directly impacted or by third parties who witnessed or are aware of the matter.

Conduct is the manner in which judicial officers or VCAT members behave either in public or in some private settings. By accepting an appointment, judicial officers and VCAT members agree to uphold the status and reputation of the judiciary and to avoid conduct that diminishes public confidence in, and respect for, the judicial office².

Capacity is the ability of a judicial officer or VCAT member to perform their official duties appropriately.

Our vision and mission

The Commission seeks to provide a fair and transparent complaint resolution process and aims to ensure that public confidence and trust in the Victorian courts and VCAT is maintained.

Our values

The Commission's values align with both the values of the Victorian Public Sector and Court Services Victoria (CSV).

- Public Sector values under the *Public Administration Act 2004* are responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.
- CSV's values are service, excellence, courage, honesty and respect.

Our governance

The governing body of the Commission is the Board of the Judicial Commission of Victoria.

The Board consists of six judicial members (heads of jurisdiction) and four non-judicial members of standing from the community, appointed by the Governor in Council.

The Commission is led by the Director, who is appointed by the Chief Executive Officer (CEO) of CSV on the recommendation of the Board. The Director reports to the Board for the operation of the Commission and the CEO of CSV in relation to all other matters.

Our Director

Alexis Eddy was appointed in October 2019. Before commencing her role at the Commission, she managed the in-house legal team at the Independent Broad-based Anti-corruption Commission (IBAC). Prior to that Alexis was with the Office of Police Integrity.

She has an expert understanding of the Victorian integrity regime, best practice policies and procedures and comes with a depth of knowledge and expertise across the justice system.

Roles, functions and duties

The Commission is governed by the *Constitution Act 1975*, the JCoV Act and the *Public Interest Disclosures Act 2012*.

The Commission has the power to consider a range of complaints including about excessive delays in giving judgments, inappropriate courtroom conduct and health issues affecting a judicial officer or VCAT member's ability to perform their official duties.

Any member of the public or the legal profession can make a complaint to the Commission.

An investigation is often initiated by a request to the court for a file or audio recording, which can take some time. This preliminary investigation is carried out by lawyers within the Commission under the supervision of the Principal Lawyer. The Director prepares a recommendation for the Board.

Once the Commission has considered the complaint or referral, it can take one of the following courses of action:

- dismiss the complaint or referral (for example those that are trivial, vexatious, relate to a person who is no longer a judicial officer or VCAT member, or relate solely to the correctness of a decision);
- if it is a complaint about serious conduct, make a finding that the conduct infringed the standards of conduct expected of judicial officers and refer it to the relevant head of jurisdiction, with recommendations in relation to future conduct; and
- if it is a complaint about a very serious matter, which if true, warrants removal from office on grounds of misbehaviour or incapacity, refer it to an investigating panel for a full investigation.

A detailed investigation report is prepared, including, where appropriate, quotes from the proceedings and references to relevant standards or guides. The confidentiality of the complainants and judicial officers or VCAT members against whom complaints are made is maintained throughout the investigation process and is reflected in documentation related to the investigation.

The Commission is not empowered to 'discipline' or 'dismiss' an officer from their position. Most complaints do not concern matters that could warrant removal. The recommendations that are made are intended to focus on the officer's future conduct and to assist and guide the officer to achieve the standards expected of them.

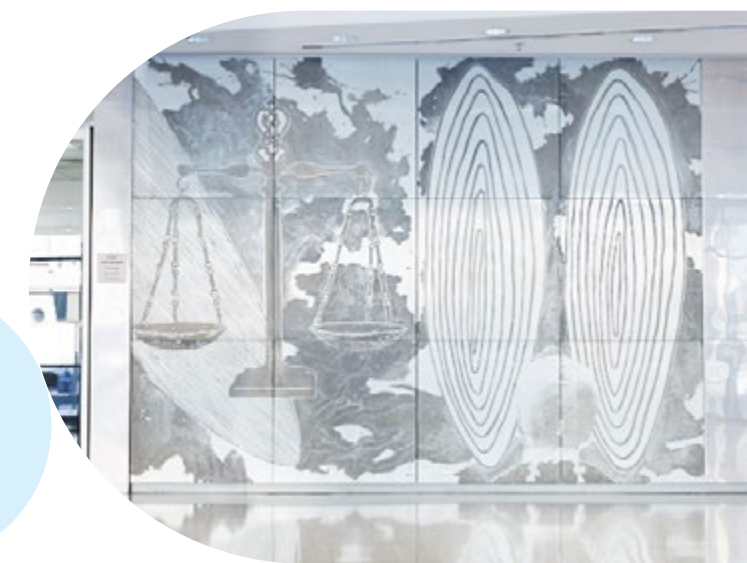
If a matter that could warrant removal does arise a special majority of both Houses of Parliament must agree before a judicial officer can be removed. In those instances, the Commission refers the matter to an investigating panel.

During the course of an investigation, the Commission may recommend an officer be stood down pending the outcome.

Our relationship with the Victorian Parliament and other sector agencies

The Victorian Parliament has the power to remove a judicial officer. Only the Attorney-General of Victoria has the power to remove a non-judicial VCAT member from office. The Governor in Council in Victoria makes the orders for the removal of officers.

The Victorian Inspectorate is responsible for the oversight of the exercise of coercive powers by an investigating panel or exercise by the Commission of the power to compel an officer to undergo a medical examination.



² AJA 2017, *Guide to Judicial Conduct*. Melbourne, page 8

Judicial Board members



The Honourable Chief Justice Anne Ferguson (Chair)

Chief Justice, Supreme Court of Victoria

Chief Justice Ferguson was appointed to the Supreme Court in 2010 and to the Court of Appeal in 2014. She is the 12th Chief Justice of the Supreme Court, having been appointed to that position in 2017. Before her appointment as a judge, Chief Justice Ferguson was a partner at law firm Allens Arthur Robinson (now Allens Linklaters).



The Honourable Judge Peter Kidd
Chief Judge, County Court of Victoria

Chief Judge Peter Kidd commenced in his position with the County Court in September 2015.

Before becoming Chief Judge, his Honour had 20 years of experience as a criminal lawyer in Australia and overseas, mostly as a barrister and Senior Crown Prosecutor in Melbourne. Chief Judge Kidd was appointed Senior Counsel in 2011.

In the mid-2000s, Chief Judge Kidd moved to Sarajevo where he was an International Prosecutor at the War Crimes Chamber of the State Court of Bosnia and Herzegovina. There he prosecuted war criminals arising from the Bosnian war in the mid-1990s.

His Honour regularly appears on radio throughout Victoria and, from time to time, on national TV where he seeks to explain how the justice system works.



The Honourable Judge Lisa Hannan
Chief Magistrate, Magistrates' Court of Victoria

Chief Magistrate Hannan commenced her role on 17 November 2019. Prior to her appointment, Chief Magistrate Hannan served eight years as a Magistrate and Coroner, and 13 years as a County Court Judge. She has significant experience and expertise in criminal law.

She served as the inaugural Head of the Criminal Division of the County Court from 2014 to 2018 and previously worked as a barrister with expertise in criminal and family violence matters. She is the founding patron of the 'Women in Crime' network that provides mentoring, education and support to approximately 250 female criminal lawyers.



The Honourable Judge Jack Vandersteen

President, Children's Court of Victoria

Judge Vandersteen was appointed a Judge of the County Court of Victoria on 1 January 2021 and as President of the Children's Court of Victoria for a five-year period.

Prior to this, in 2009 His Honour was appointed a Magistrate of the Magistrates' Court of Victoria and was assigned to the Melbourne and western region of the Court. In 2014 he was appointed Regional Co-ordinating Magistrate at Dandenong.



The Honourable Judge John Cain
State Coroner, Coroners Court of Victoria

Judge Cain was appointed State Coroner in October 2019, prior to which he was Victoria's Solicitor for Public Prosecutions from November 2015.

Between 2002 and 2006, Judge Cain was CEO of the Law Institute of Victoria. He was the Victorian Government Solicitor from 2006 until 2011, after which he became managing partner at Herbert Geer (now Thomson Geer).



The Honourable Justice Michelle Quigley

President, Victorian Civil and Administrative Tribunal (VCAT)

Justice Quigley was appointed to the Supreme Court in December 2017 and is the first woman to be appointed as the President of VCAT. Prior to her Supreme Court appointment, Justice Quigley spent almost 30 years as a barrister specialising in administrative law, including planning and environmental law, and land valuation and acquisition.

Non-judicial Board members



Mr Graham Atkinson

**Appointed 1 July 2017
(5-year term)**

Mr Atkinson is Director and Principal Consultant at Atkinson Consulting Group and has nearly 30 years' experience consulting with government and Indigenous communities on matters including land justice and heritage, economic and social planning, good governance and change management.



Ms Claire Keating

**Appointed 1 July 2017
(5-year term)**

Ms Keating is a chartered accountant with over 30 years' experience in superannuation and funds management. She also serves on a number of boards including: AustralianSuper, Victorian Managed Insurance Authority and Yooralla one of Victoria's largest non-government providers of disability services.



Ms Helen Silver AO

**Appointed 1 July 2017
(5-year term)**

Ms. Silver AO is Allianz Australia's Deputy Managing Director with responsibilities for leading strategic projects and providing advice to the Managing Director, Allianz Australia Board and the Allianz worldwide group.

Prior to joining Allianz Australia, she spent more than 30 years in executive roles in the Victoria and Commonwealth public sectors, culminating in 2008 as head of the Victorian Public Service in the position of Secretary to the Department of Premier and Cabinet.

Ms. Silver AO has a Bachelor of Economics (Hons) and a Master of Economics from Monash University. She is a National Fellow of the Institute of Public Administration Australia and a Distinguished Fellow of ANZSOG.

She also serves on a number of Boards including the Melbourne Symphony Orchestra and the Arts Centre Melbourne.



Dr Helen Szoke AO

**Appointed 26 March 2019
(5-year term)**

Dr Szoke AO has a wide breadth of experience, including as the Chief Executive of Oxfam Australia, Race Discrimination Commissioner for the Australian Human Rights Commission and CEO of the Victorian Equal Opportunity and Human Rights Commission. She has led a distinguished career in the fields of human rights, governance, public policy and leadership.

Committees

Audit and Risk Committee membership and roles

In 2021, the Audit and Risk Portfolio Committee (ARPC) was renamed the Audit and Risk Committee (ARC). The ARC is a committee of the Courts Council³. Meeting on a quarterly basis, the ARC oversees the provision of audit and risk management functions and assurance to the Judicial Commission of Victoria Board.

The purpose of the ARC is to assist Courts Council and the Judicial Commission Board to fulfil its oversight responsibilities relating to:

- the integrity and quality of the Commission's financial reporting and disclosures
- the adequacy of the Commission's Risk Management Framework and its use by management to identify and manage key risks
- the adequacy of the Internal Control Framework to mitigate key business, financial, fraud and regulatory risks
- the independence, work plan (including annual audit of the Commission's financial statements), and effectiveness of the external auditor
- the independence, qualifications, engagement, fees, scope of work and effectiveness of the Commission's internal audit function
- compliance with relevant laws, regulations, standards and codes.

In accordance with the Financial Reporting Directions under the *Financial Management Act 1994*, the members of the committee during the 2020-21 financial year were:

- Ms Sue Friend, Chair, non-judicial and independent member
- Dr Philip Williams AM, non-judicial and independent member
- The Honourable Justice Michael McDonald, judicial member
- The Honourable Judge Philip Ginnane, judicial member
- The Honourable Magistrate Phillip Goldberg, judicial member
- Ms Elizabeth (Liz) Camilleri, non-judicial and independent member
- Mr. Stewart Leslie (Retired as Chair and Independent Member in October 2020)

In March 2021, the Commission applied for an Exemption from the Standing Directions 2018 under the *Financial Management Act 1994* for the 2020-21 financial year and onwards. The Commission's exemption application declared the preparation work for completing the annual attestations required was onerous considering the size and nature of its functions and reliance on CSV to comply with the majority of the Standing Directions.

On 29 May 2021, the Assistant Treasurer granted a full exemption to the Commission. The Commission and CSV will continue to collaborate to maintain a range of financial control and governance arrangements to ensure ongoing sound financial management. The Commission will continue to adopt CSV policies on a broad range of finance, risk and procurement matters, and the ARC will maintain its oversight of, and engagement with, the Commission.

The Commission will continue to be subject to annual Victorian Auditor General's Office (VAGO) audits. This will ensure a thorough review of its financial management practices with opportunities for remedy and improvement as deemed necessary, including auditing of the Commission's annual financial statements for ARC. The Commission's Board will review and sign off the statements. These are included in Section 6 of this report.

³ Courts Council is the governing body of Court Services Victoria chaired by the Chief Justice and comprising the heads of each jurisdiction and up to two appointed non-judicial members. The Council directs the strategy and governance of CSV, enshrining a governance structure for the courts and VCAT that is independent of the executive government.

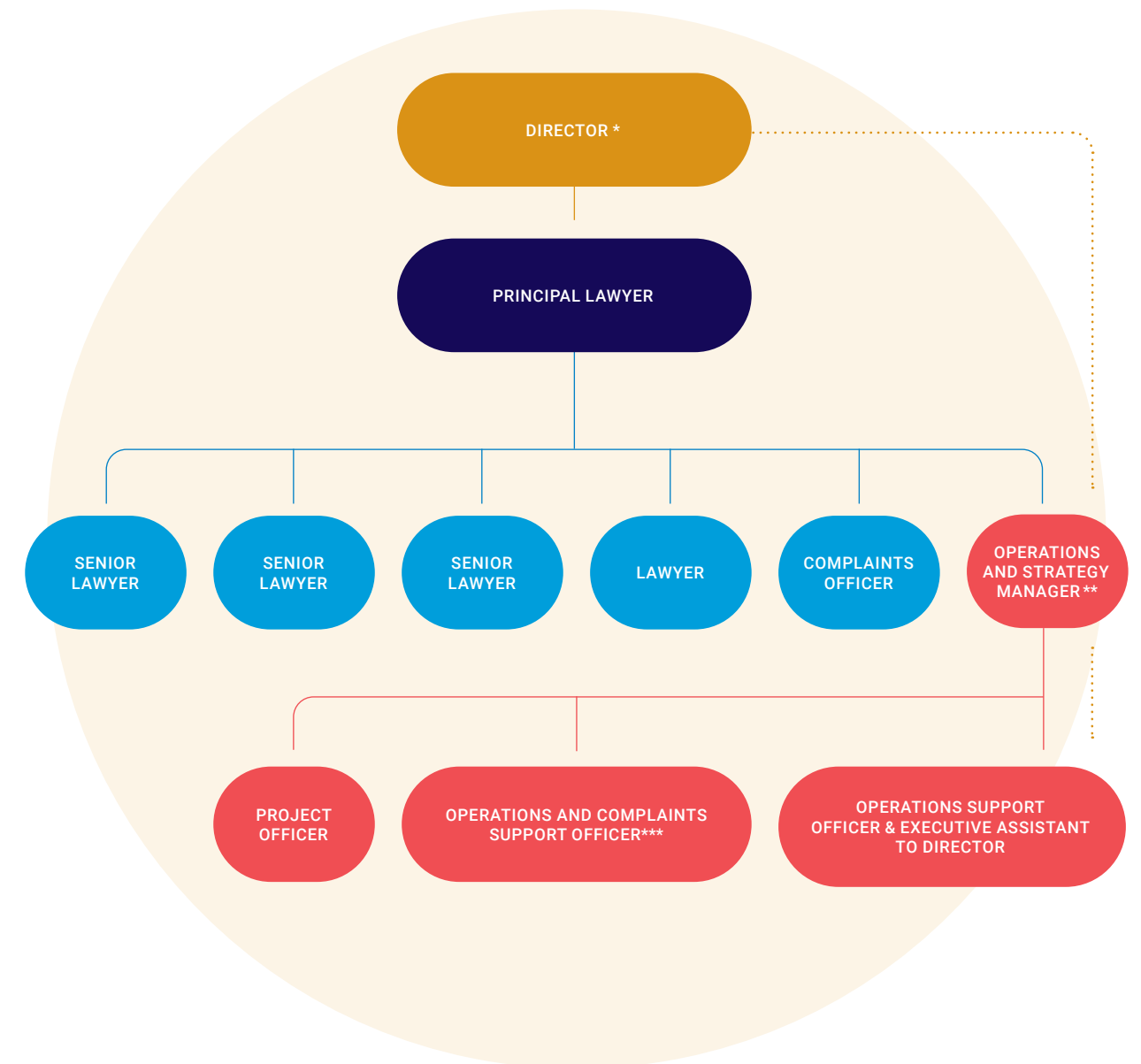
Organisational structure

As of 30 June 2021

The Director is supported by a team of Commission staff who perform a broad range of operational and legal tasks to ensure the Commission can carry out its functions.

This year there were nine full-time and two part-time staff members.

The Commission is also supported by CSV, which provides corporate advice and assistance in areas including finance, people and culture, information technology and procurement.



* Refer to breakdown of FTE at page 37.

** This role replaced the VPS4 Operations Manager role in September 2020.

*** This role replaced the VPS2 Administration Officer role in January 2021.

SECTION 2

Judicial Commission of Victoria Act 2016 and functions of the Commission



The *Constitution Act 1975* establishes the Judicial Commission of Victoria while the *Judicial Commission of Victoria Act 2016* (JCoV Act) outlines the functions of the Commission, as a separate body to which any member of the public or legal profession can make complaints about the conduct or capacity of judicial officers⁴ and non-judicial VCAT members (officers). The JCoV Act also sets out a transparent and independent process for the investigation and resolution of complaints or referrals.

Prior to the JCoV Act, such complaints were only able to be made and responded to by the individual head of jurisdiction.



⁴ A judicial officer is defined by s.87AAA of the *Constitution Act 1975* to include a Judge, Reserve Judge, Associate Judge and a Reserve Associate Judge of the Supreme and County Courts, a Judge or Reserve Judge of the County Court who is appointed or assigned to VCAT, a Magistrate, a Reserve Magistrate, a Magistrate or Reserve Magistrate who is appointed or assigned to the Children's Court, the Coroners Court or VCAT, a Reserve Coroner, a person appointed under s.94 of the *Coroners Act 2008* and a judicial registrar.

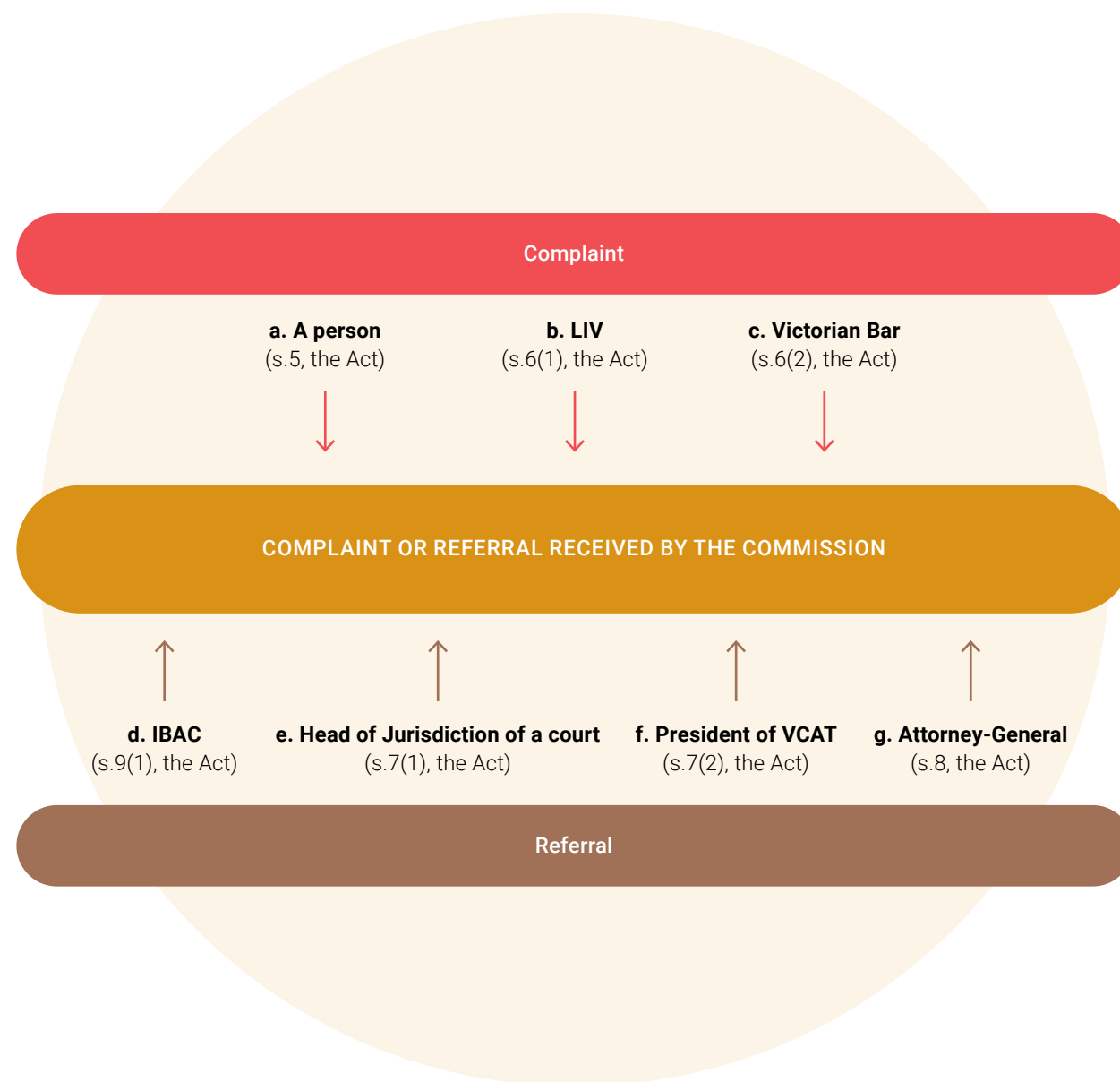
Functions of the Commission

Complaints

Who can make a complaint?

Any member of the public or the legal profession can make a complaint to the Commission. Complaints can be made by those directly impacted or by third parties who witnessed or are aware of the matter.

The Attorney General, heads of jurisdiction and the Independent Broad-based Anti-corruption Commission (IBAC) can refer matters and the Law Institute of Victoria and the Victorian Bar Association can refer complaints on behalf of their members without disclosing the identity of the complainant.



What type of complaints can the Commission investigate?

Complaints made to the Commission must relate to one of the following Victorian judicial officers or VCAT members:

- a Judge of the Supreme Court or the County Court
- a Magistrate of the Magistrates' Court or Children's Court or when presiding in the Victims of Crime Assistance Tribunal (VOCAT)
- a Coroner of the Coroners Court
- a VCAT member
- a judicial registrar of the Supreme Court, the County Court, the Magistrates' Court, the Children's Court or the Coroners Court.

The Commission can investigate complaints about the conduct or capacity of officers. For example:

- court room demeanour such as inappropriate remarks
- sexual harassment or bullying
- health issues which may affect the officer's ability to perform their official functions
- excessive delay in handing down a judgment

The Commission cannot investigate complaints about:

- the correctness of a decision made by a judicial officer or VCAT member
- court or VCAT staff members
- a person who is no longer a judicial officer or non-judicial VCAT member
- the conduct of judicial officers in federal courts or tribunals such as the Family Court and the Administrative Appeals Tribunal.

How to make a complaint

A complaint can be made to the Commission via its website at www.judicialcommission.vic.gov.au or by calling the Commission directly.

What actions can the Commission take when a complaint is made?

The Commission can undertake a range of preliminary steps as part of its investigation to inform its decision. The Commission may request:

- further information from the complainant;
- the relevant court or tribunal to provide it with relevant documents; or
- information such as the audio recording of a proceeding.

Having made an initial assessment of a complaint, the Commission must then do one of the following:

- dismiss the complaint or referral, including where the matter cannot be substantiated;
- if the matter is not dismissed, the officer must be given an opportunity to respond to the complaint (s.14 JCoV Act)
- if it is a complaint about serious conduct that is substantiated, make a finding that the conduct infringed the standards of conduct expected of judicial officers and refer it to the relevant head of jurisdiction, with recommendations in relation to future conduct; or
- if it is a complaint about very serious matters, which, if true, warrants removal from office on grounds of misbehaviour or incapacity, refer it to an investigating panel for a full investigation. An investigating panel is separate to the Commission and appointed by the Board.

Dismissal of a complaint

The JCoV Act sets out a range of grounds upon which a complaint will be dismissed. For example, complaints that are trivial, vexatious, relate to a person who is no longer a judicial officer or VCAT member, or relate solely to the correctness of a decision are dismissed.

If a complaint is dismissed, the relevant head of jurisdiction, the judicial officer concerned, and the complainant will be notified of the dismissal and the reasons for it. A matter may also be dismissed by an investigating panel.



Referral to head of jurisdiction

If the Commission finds that a complaint about serious conduct infringed the standards of that expected of judicial officers, the matter may be referred to the relevant head of jurisdiction, with recommendations in relation to future conduct.

Firstly, however, the officer concerned is notified about the nature of the complaint and has the opportunity to respond prior to a decision being made. If, after investigation, a complaint is referred to the head of jurisdiction, both the officer concerned and the head of jurisdiction are provided with a report setting out the Commission's findings and recommendations.

The head of jurisdiction must consider the Commission's report and may do one or more of the following:

- counsel the officer in respect of the complaint
- make recommendations to the officer about future conduct
- exercise any other powers of the head of jurisdiction.

After finalisation, the head of jurisdiction must provide a report to the Commission stating the outcome and provide guidelines stating how it arrived at that conclusion. A copy of that report will also be provided to the complainant.

Referral to an investigating panel

Under the JCoV Act, if the Commission deems a complaint about matters that, if true, warrant removal from office on grounds of proved misbehaviour or incapacity, the matter must be referred to an investigating panel for a full investigation.

An investigating panel is separate to the Commission and appointed by the Board. A panel comprises three members – two former or current officers or VCAT members and one community member of high standing selected from the pool of people appointed for this purpose.

Subject to the Act, an investigating panel may regulate its own proceedings and is bound by the rules of natural justice but not by the rules of evidence. The panel must act expeditiously and confidentially subject to limited exceptions. It has a range of coercive powers including to compel production of documents and for witnesses to give evidence.

An investigating panel has a broad range of investigatory powers including the power to conduct a hearing, the power to require production of documents and the power to issue witness summonses. A hearing is closed to the public unless exceptional circumstances exist.

Having investigated the complaint, the investigating panel must do one of the following:

- dismiss the complaint;
- refer it to the relevant head of jurisdiction with recommendations about the future conduct of the officer concerned; or
- draft a report recommending the officer be removed from office if there is proven misbehaviour or incapacity.



When can an officer be stood down?

The relevant head of jurisdiction may stand down an officer (other than another head of jurisdiction or an officer of the Supreme Court or the County Court). This can occur at any time if they believe that the continued performance of functions by the officer is likely to impair public confidence in the impartiality, independence, integrity or capacity of that person or the relevant court or tribunal and immediate action is required.

The Commission or an investigating panel may make a recommendation to a head of jurisdiction that an officer be stood down. If the officer in question is a head of jurisdiction or an officer of the Supreme Court or County Court, the relevant council of judges may make a determination that the officer be stood down. Standing down an officer is a temporary measure and is not the same as removing an officer from office.

A head of jurisdiction can stand down an officer for a period of 21 days. The Commission or an investigating panel may recommend that an officer be stood down from office or continue to be stood down from office after the expiration of 21 days, pending the outcome of a complaint or referral.

When can an officer be required to undergo a medical examination?

If the Board or an investigating panel reasonably believes an officer may be suffering from an impairment, disability, illness or condition that may significantly affect the officer's performance of their functions, it may require an officer to undergo any medical examination it considers necessary.

The officer concerned must be given a copy of the medical report. The officer may then submit a medical report prepared by a registered medical practitioner that addresses the matters set out in the report provided to the officer.

Powers of heads of jurisdictions

Prior to the establishment of the Commission, complaints were only able to be lodged to the heads of jurisdiction and these were processed internally by the relevant jurisdiction.

The Commission's complaint process provides an alternate, separate and transparent decision-making process.

The JCoV Act does not, however, limit the powers that the heads of jurisdiction have to:

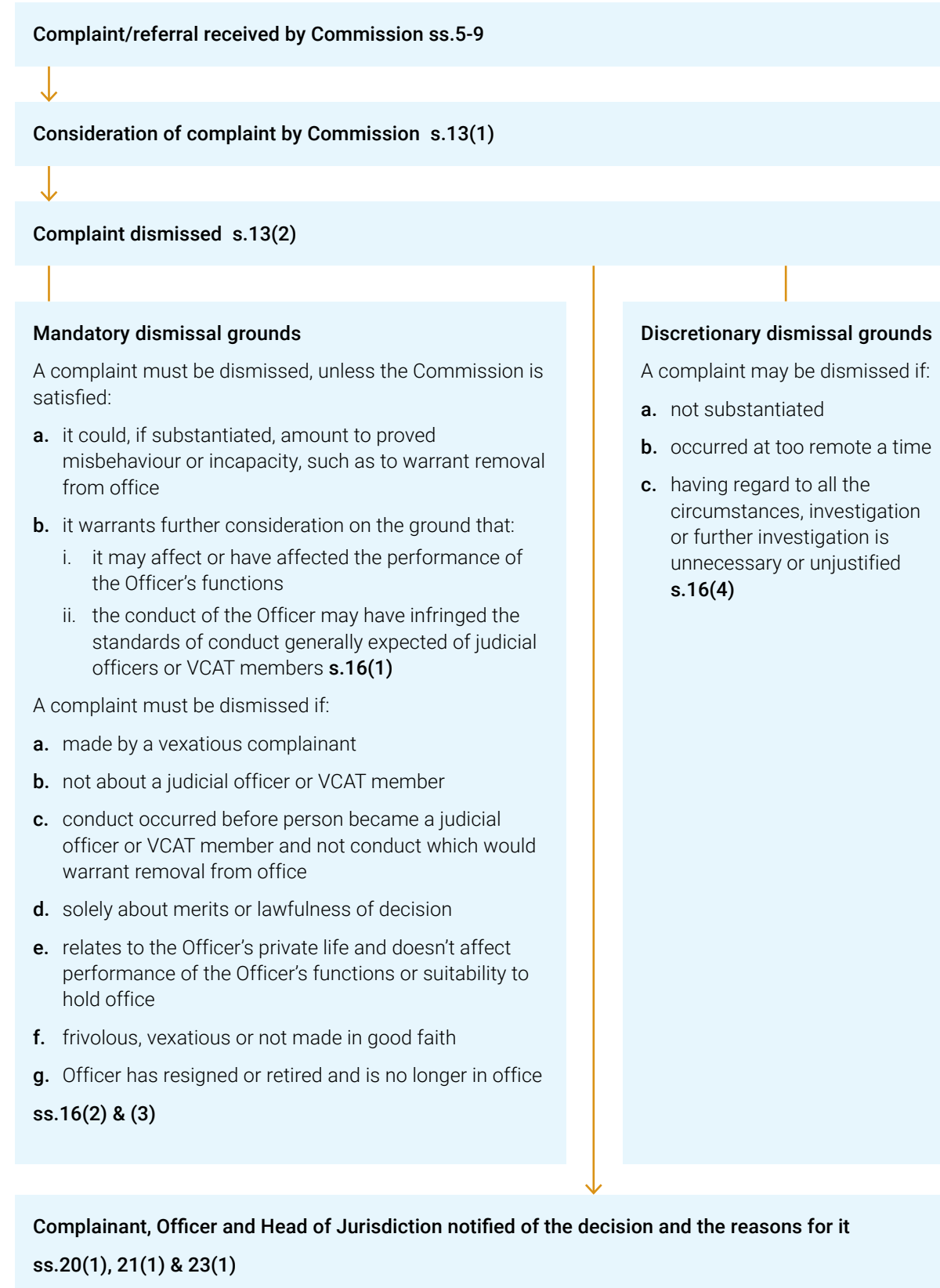
- ensure the effective, orderly and expeditious discharge of the business of the court
- do all the things necessary or convenient to perform these responsibilities.

The JCoV Act also provides specific powers for the Board to make recommendations to heads of jurisdiction and requires the head of jurisdiction to report back to the Commission.

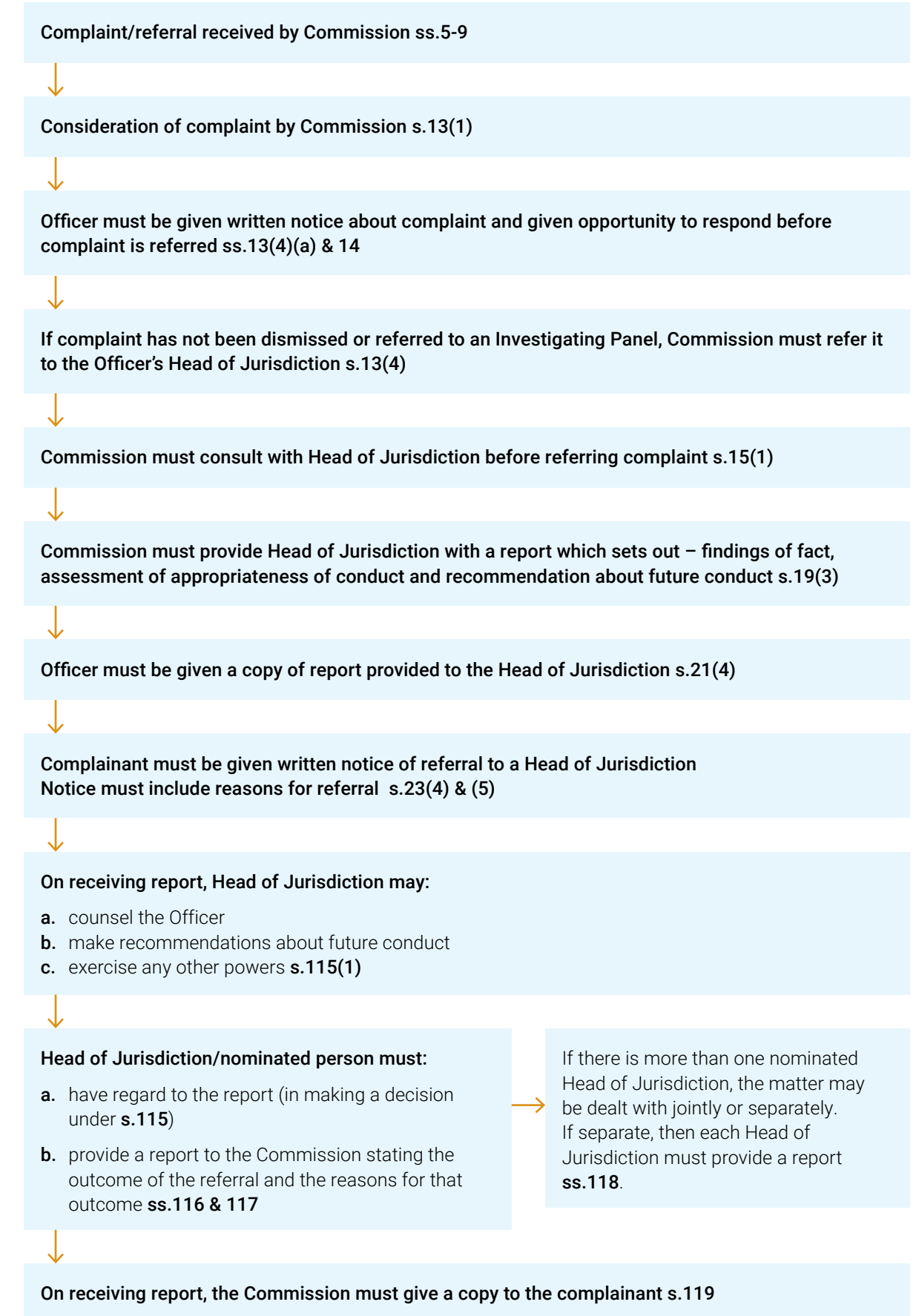
The Commission provides the officer, the relevant heads of jurisdiction, and the complainant a full report of the outcome, including investigation processes and responses by each party.

This is an important element to support transparency of the Commission's complaint procedures. Each party is made aware of outcomes and the rationale behind decisions. This level of clarity and transparency enables the Commission to meet its core aim of maintaining public trust in the courts.

Dismissal of a complaint



Referral to Head of Jurisdiction



A year in review

Significant events 2020–2021

July 2020

1. An independent review was initiated into sexual harassment across the Victorian courts, led by Board member Dr Helen Szoke AO. This was separate to the Commission.
2. The Commission engaged an independent consultant and initiated a review of its operations to identify opportunities for improvement. This review is expected to finalise in 2021-2022.
3. From July to October 2020, working-from-home arrangements continued based on Victorian Government health advice; As restrictions eased, staff returned to the office part-time, working from home on other days in line with health advice.

July 2020 onwards

Like other jurisdictions and government agencies in Victoria, the ongoing lockdowns and various iterations of working from home arrangements had a significant impact on the Commission's operations, in particular increasing complaint processing times and response times to phone and email enquiries. The Commission's Business Continuity Team continued to co-ordinate the Commission's response to the COVID-19 pandemic as appropriate.

February 2021

The Commission published its third annual report.



April 2021

The final report from the Review into Sexual Harassment in Victorian Courts was released, setting out 20 recommendations for various entities involved in the courts and VCAT, including the Judicial Commission.

The recommendations are aimed at establishing clear standards of expected behaviour, eliminating unacceptable behaviour and preventing sexual harassment by building a safe and accountable workplace culture across Victorian courts, VCAT and associated bodies.

May 2021

1. The Director delivered presentations to key stakeholders in the Victorian justice system including the Supreme Court, Magistrates' Court and Law Institute of Victoria.
2. The Department of Treasury and Finance granted an exemption from the Standing Directions under the *Financial Management Act 1994* to the Commission for the 2020-21 financial year onward on the basis that the Commission was a low-risk government agency, and efficient in maintaining appropriate financial controls in collaboration with CSV.

June 2021

1. The Commission received its 970th complaint since its inception in 2017.
2. The Commission initiated a review of its website and will implement changes to improve user-experience and better support its stakeholders. This review is expected to be finalised in 2021-2022.

Case studies

Where appropriate the Commission will determine to publish information pertaining to a complaint and outcome, but only where this is in line with the disclosure considerations in the JCoV Act, including:

- a. Ensuring a transparent and accountable process;
- b. Maintaining present and future public confidence and
- c. Protecting the privacy and safety of individuals (s.4).

In relation to a number of key investigations, the Commission has published statements with a view to providing the public and legal sector with insight into the complaint investigation process and matters the Commission can take into account in its decision-making process.



1

Conflict of Interest (referred to investigating panel and ultimately head of jurisdiction)

The complainant made three allegations about an officer's personal and intimate relationship with a legal practitioner in particular relating to a conflict of interest whereby the officer failed to excuse themselves or disclose the relationship when the practitioner appeared before them during one proceeding.

OUTCOME

After conducting a preliminary investigation, it was determined that on the material available to the Commission, the matter warranted further consideration.

The Commission provided the officer with a formal opportunity to respond to the complaint in full (in accordance with s. 14 of the JCoV Act). The officer elected to provide a response.

The officer's response did not adequately address the issues raised in the complaint and the Board of the Commission referred the entire matter to an independent investigating panel on the grounds that the complaint could, if substantiated, amount to proved misbehaviour such as to warrant the removal of the officer.

The panel expanded the scope of its investigation regarding the conflict of interest allegation to include a number of other proceedings where the officer failed to excuse themselves or disclose the relationship. During the investigation, the legal practitioner was offered the opportunity to make a statement but declined to do so.

The panel provided a report to the Commission on the outcome of the investigation concluding that two of the allegations should be dismissed. The third allegation, regarding the conflict of interest, was substantiated.

The panel's key findings were that:

- the officer failed to disclose the relationship and excuse themselves when the legal practitioner was due to appear before them; and
- at times the officer diminished or equivocated about the significance of the conduct in question, characterising it as "undesirable" or involving a "lack of prudence".

Although the panel substantiated the conflict of interest issue, it concluded that it did not rise to the level of judicial misconduct warranting removal from office. The panel referred the allegation to the relevant head of jurisdiction with a range of recommendations including:

- The head of jurisdiction and officer meet to discuss the panel's recommendations and future expectations;
- The officer must familiarise themselves with all counselling options and attend at least one counselling meeting in which they would explore the stressors that had contributed to their poor decision-making; and
- Appointment of two judicial mentors, one from the same jurisdiction and one from a different jurisdiction. The officer should have contact with each of the mentors at least twice a year for not less than two years.

The head of jurisdiction must report back to the Commission on the outcome of the referral, and reasons for the outcome. This report will then be provided to the third-party complainant and the Attorney-General.



2

Complaint alleging bias and discrimination (Officer given a formal opportunity to respond, matter ultimately dismissed)

The complainant alleged that the officer, among other complaint grounds, was biased towards the complainants and made discriminatory statements towards one of them, who had a disability. The proceeding was a civil dispute where the complainant was the applicant.

OUTCOME

The Commission carefully considered the allegations, including the statements that were said to be discriminatory. The proceeding was a matter where the complainants, as applicants, were required to take steps to mitigate their loss. The officer, as the decision maker, was required to ask questions to understand the nature of the claim and whether the complainants had taken appropriate steps to mitigate any loss they may have suffered.

The Commission found that, while the complainants may have felt discriminated against, the enquiries made by the officer were reasonable in the circumstances. These parts of the complaint were dismissed at the preliminary stage.

In relation to the allegation the officer was biased, it was determined that on the material available, the matter warranted further consideration. The Commission provided the officer with a formal opportunity to respond to that allegation (in accordance with s.14 of the JCoV Act). The officer elected to provide a response. The response included further details about the proceeding and the officer's consideration of the material, including the reasons certain questions had been asked of the complainants.

The Commission considered the officer's response, in conjunction with the audio recording of the proceeding. The Commission noted that the complainants, as applicants, were required to prove their claim to a civil standard and, as the decision maker, it was the officer's role to assess the strengths and weaknesses of their case.

The Commission found the officer was not exhibiting bias in asking the complainants questions to assess the merits of their case and any actions taken to minimise their losses, then forming a view about the reasonableness of the complainants' conduct. Further, the Commission found that while the officer's statements and questioning of the complainants indicated the officer did not accept their arguments and evidence, this did not amount to bias.

3

Unfair hearing, apprehended bias and inappropriate comment (summarily dismissed)

The complaint alleged that the officer failed to provide a fair hearing and conducted the proceeding in a way that raised an apprehension of bias. These allegations were based on the complainant's assertion that the officer was influenced by their own opinion of the opposing party's legal representative, who had a media profile. The complainant also alleged that the officer had made an inappropriate comment, calling the complainant a "vexatious litigant".

OUTCOME

On the material available, the Commission found there was no evidence that the officer held a personal opinion of or about the legal representative. Further, the officer's handling of the complainant's application was not affected by any alleged opinion of the practitioner. The Commission also found the officer had referred to the allegations levelled by the complainant in the context of the proceeding as being capable of being described as "vexatious".

Accordingly, the Commission dismissed the complaint in full on the grounds it had not been substantiated. A detailed investigation report was prepared.

There was no basis to provide the officer with a formal opportunity to respond (in accordance with s.14 of the JCoV Act). The complainant, the officer and the head of jurisdiction were all informed of the outcome and provided with a copy of the investigation report.

The complainant gave feedback to the Commission, noting the findings in the investigation report by thanking the Commission for providing a thorough analysis of the conduct of the proceeding, which enabled the complainant to better understand what had occurred.

4

Complaints against court staff and about the decision (summarily dismissed)

The complainant alleged they were prevented from attending court because they were not wearing a mask, despite having an exemption. The complainant was offered the opportunity to have the proceeding heard online, but wanted to appear in person. The complainant claimed they had been told a staff member would contact them, but that no one did. The proceeding for an interim intervention order was heard in his absence, which the complainant alleged denied them a fair hearing.

OUTCOME

The Commission can only investigate complaints about judicial officers and non-judicial members of VCAT. The part of the complaint about being prevented from attending court and staff members not contacting the complainant were dismissed as they were about court processes and procedures. The complainant was provided with details of how to make a complaint directly to VCAT.

The Commission does not have jurisdiction to investigate complaints that relate solely to the merits or lawfulness of a decision or procedural ruling made by the officer concerned. The officer was entitled to hear an interim intervention order application in the absence of the complainant. Accordingly, the decision to proceed was a decision of the officer concerned and the Commission dismissed this part of the complaint as it was about the merits or lawfulness of a decision.

There was no basis or need to seek the officer's response to the allegations. A detailed investigation report was prepared. The complainant, the officer and the head of jurisdiction were all informed of the outcome and provided with a copy of the investigation report.

5

Retirement of Officer (summarily dismissed)

The complainant alleged that a VCAT member did not make enquiries about the respondent failing to file materials, did not place either party under oath, did not provide the complainant with an opportunity to discuss their counterclaim and disregarded the complainant's evidence. The proceeding was conducted by teleconference in compliance with orders made by the Chief Health Officer in response to COVID-19.

OUTCOME

The Board dismissed the complaint in its entirety because shortly after the proceeding the officer retired.

The JCoV Act states that the Commission must dismiss a complaint or referral if the officer has resigned or retired and is no longer a judicial officer or non-judicial member of VCAT.

The complainant and the head of jurisdiction were informed of the outcome and the reasons for it.



Key results 2020–2021

213 complaints and one referral from 177 complainants.

Plus 113 complaints received in previous financial year remained open at the start of 2020–2021.

Of these 326 complaints and referrals, 233 were dismissed, two were referred to a head of jurisdiction, one was referred to an investigating panel and 18 were withdrawn.

The number of complaints and referrals that remained open at the end of 2020–2021 was 37% lower compared to 2019–2020.

Complaints

Number of complaints received

In its fourth year of operations, the Commission received 212 complaints and one referral from 177 complainants. In addition, 113 complaints received in previous financial years remained open at the start of 2020–2021.

In the 213 complaints and referrals received in 2020–2021, a total of 119 judicial officers and non-judicial VCAT members were the subject of a complaint or referral. 102 complaints did not relate to a judicial officer or a non-judicial VCAT member.

Outcome of complaints

There are three possible outcomes available to the Commission when it receives a complaint or a referral:

- dismiss the complaint or referral
- refer the complaint or referral to the head of jurisdiction with recommendations about the future conduct of the officer, or
- refer the complaint or referral to an investigating panel.

Of the 213 complaints and referrals received in 2020–2021 and the 113 complaints which remained open at the end of 2019–2020 (a total of 326 complaints and referrals):

- 233 were dismissed
- 2 were referred to a head of jurisdiction
- 1 was referred to an investigating panel
- 18 were withdrawn
- 72 remained open.

Time taken to deal with complaints

At 30 June 2021, 78% of all complaints and referrals received in 2020–2021 or which remained open from previous financial year had been finalised by the Commission.

- 2% of complaints and referrals were finalised within 30 days of receipt
- 9% of complaints and referrals were finalised between 31 and 60 days of receipt
- 11% of complaints and referrals were finalised between 61 and 90 days of receipt
- 78% of complaints and referrals were finalised after 90 days of receipt.

In the 2020–21 financial year the Commission closed 22% of complaints within 90 days of receipt, compared to 13% in the 2019–20 financial year. This improvement in timelines was due in part to the implementation of one change in process by making early contact with individuals to explain the processes and any relevant jurisdictional limits.

The recording of enquiries has also reduced the number of matters progressing through the formal complaints process, which improves response times for substantive formal complaints. This contributed in part to a 15% reduction in the number of total complaints from last year. The positive impact of this is that there are fewer delays in processing formal complaints.

In 2017-18 and 2018-19, 74% and 45% (respectively) of the complaints were closed within 90 days of receipt. Key reasons for the increase in processing times are:

- the receipt of an increased number of more complex complaints which required more time to investigate;
- the impact of the COVID-19 pandemic on staff and resourcing; and
- the majority of the 113 complaints that remained open at the end of 2019–2020 and which were subsequently closed in 2020–2021 took more than 90 days to finalise.

Time taken to deal with complaints

TIME TAKEN	COMPLAINTS
Within 30 days	2%
Between 31 and 60 days	9%
Between 61 and 90 days	11%
After 90 days	78%

Nature and scope of complaints

Complaints by jurisdiction

The distribution of complaints received in 2020–2021 across the jurisdictions broadly reflects the volume of proceedings dealt with by the jurisdictions. Notably, the Magistrates' Court and VCAT are the jurisdictions that deal with the highest volume of proceedings and also have the largest number of complaints.

While the number of complaints received is significant, it represents an extremely small proportion of the total number of cases dealt with by the Victorian courts and VCAT in the 2020–2021 financial year.

For example, 101 complaints were received about the Magistrates' Court which finalised 213,907 cases during the same period. Over the same period, 77 complaints were received about VCAT which finalised 61,563 matters. The complaint rate was approximately 0.05% and 0.13% for the Magistrates' Court and VCAT respectively. Given the volume of work performed by the Victorian courts and VCAT, the number of complaints is, therefore, comparatively small.

Distribution of complaints by jurisdiction

JURISDICTION	COMPLAINTS	PERCENTAGE OF TOTAL
Magistrates' Court	101	47.42%
VCAT	77	36.15%
Supreme Court	18	8.45%
County Court	9	4.23%
Coroner's Court	4	1.88%
Children's Court	3	1.41%
Other Jurisdiction ⁵	1	0.47%
VOCAT ⁶	0	0.00%

⁵ Other Jurisdiction refers to complaints and referrals received by the Commission that do not relate to Victorian Courts or jurisdictions. This was reported as Other in the 2018-19 Annual Report.

⁶ VOCAT was introduced as separate category in 2019/20 (previously included in the Magistrates' Court) to enhance clarity of reporting, recognising that whilst magistrates' preside in VOCAT matters, they do so under different powers.



Nature of complaint

During 2020–2021, 29% of complaints received alleged an officer had made an incorrect decision. The Commission has no jurisdiction to consider complaints solely about the merits or lawfulness of a decision or procedural ruling. It is necessary to appeal a decision to a higher court if a complainant believes an error has been made. During the same period, 15% of complaints alleged there had been a failure to give a fair hearing. Many complaints contain multiple allegations.

NATURE OF COMPLAINT	TOTAL COMPLAINTS	PERCENTAGE OF TOTAL
Incorrect decision	126	29%
Failure to give fair hearing	67	15%
Denial of due process	55	13%
Bias	31	7%
Inappropriate comments	31	7%
Failure to act in judicial manner ⁷	29	7%
Delay	25	6%
Rudeness	19	4%
Corruption	13	3%
Overbearing conduct ⁸	11	3%
Prejudice	9	2%
Conflict of interest	7	2%
Apprehension of bias	6	1%
Inappropriate questions	6	1%
Incapacity	3	1%

⁷ These categories will be updated to reflect the nature of alleged conduct, for example to include bullying or sexual harassment in the following year.

⁸ As above

Grounds of dismissal

The JCoV Act prescribes a range of grounds upon which a complaint or referral must or may be dismissed. During 2020–2021, nearly 31% of matters dismissed (including those complaints received in previous financial year) related solely to the merits or lawfulness of a decision or procedural ruling. In 2020–2021, 27% of matters dismissed were on the basis that it was not substantiated. Some complaints are dismissed on multiple grounds.

DECISION MAKER	OUTCOME	TOTAL COMPLAINTS	TOTAL PERCENTAGE
Commission	s16(3)(b) – Merits or lawfulness of decision	149	31%
Commission	s16(4)(a) – Complaint not substantiated	129	28%
Commission	s16(2)(b) – Not judicial officer or VCAT member	89	19%
Commission	s16(4)(c) – Further investigation unnecessary or unjustified	82	18%
Commission	s16(4)(b) – Too remote a time	5	2%
Commission	Officer counselled by head of jurisdiction	3	1%
Commission	s16(3)(a) – Conduct before appointment	2	0%
Commission	s16(3)(e) – Officer resigned, no longer in office	2	0%
Commission	s16(1)(b)(i) – May affect performance of functions	1	0%
Commission	s16(1)(b)(ii) – May infringe standard of conduct expected	0	0%
Commission	s16(3)(d) – Frivolous, vexatious, not in good faith	0	0%
Commission	s16(1)(a) – Could warrant removal from office	0	0%
Investigating panel	s35(4)(c) – Further investigation unnecessary or unjustified	0	0%

Exercise of powers by an investigating panel

The following powers were exercised by an investigating panel under Part 5 of the Act in 2020–2021:

Number of search warrants issued by Supreme Court on application of an investigating panel	0
Number of hearings held by investigating panels and whether hearing was held in public or private	1 (private hearing)
Number of notices issued under s.69 of the Act requiring production of a document or thing	0
Number of witness summonses under s.70 of the Act	1
Number of Claims for privilege determined by Supreme Court under s.95 of the Act	0

Outcomes of investigations by an investigating panel

The outcomes of investigations by an investigating panel determined in 2020–2021 were:

Number of matters dismissed under s.34(2) and grounds on which those matters were dismissed	2*
* (two allegations were dismissed on the grounds they were not substantiated)	
Number of reports made under s.34(4) (report to Governor – judicial officer) or (5) (report to Attorney-General – non-judicial VCAT member)	0
Number of matters referred under s.34(3) (referral to head of jurisdiction)	1**
** (allegation was substantiated and referred)	

Other information

Number of mandatory notifications of corrupt conduct made to the Independent Broad-based Anti-corruption Commission (IBAC) under s.25 (by the Commission) or s.48 (by an investigating panel)	0
Number of mandatory notifications made to the Victorian Inspectorate under s.26 (by the Commission) or s.49 (by an investigating panel)	0
Number of vexatious complaint declarations made by the Commission under s.140	0

Public interest disclosures

A copy of the procedures for Making and Handling Public Interest Disclosures established by the Commission can be accessed at www.judicialcommission.vic.gov.au/complaints/public-interest-disclosures.

Number and types of disclosures notified to IBAC under s.21(2), <i>Public Interest Disclosures Act 2012</i> (PID Act)	0
Number and types of public interest disclosure complaints referred to the Commission by IBAC	0
Number and types of public interest disclosure complaints investigated by the Commission	0
Number and types of public interest disclosure complaints dismissed by the Commission	0
Number of applications for an injunction in respect of detrimental action in reprisal for a public interest disclosure made by the Commission under s.50 of the PID Act	0



People and workforce



04

Staff at the Commission

The following table sets out the head count, full time staff equivalent (FTE), and level of all public service employees of the Commission as at 30 June 2021:

Table 1:

FTE	VPS LEVEL	POSITIONS
1	EO3	Director
1	VPS 6	Principal Lawyer
3.2	VPS 5	Senior Lawyer and Operations & Strategy Manager ⁹
2.8	VPS 4	Project Officer, Lawyer and Complaints Officer ¹⁰
2	VPS 3	Operations Support Officer and EA to the Director and Operations and Complaints Support Officer ¹¹

⁹ From September 2020.

¹⁰ This role was vacant as at 30 June 2021.

¹¹ Fixed term role created in January 2021.



Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of the Commission that were employed in the last full pay period in June 2021 of the current reporting period.

Table 2: Details of employment levels:

	30 JUNE 2019						
	ALL EMPLOYEES		ONGOING			FIXED TERM AND CASUAL	
	Number (head count)	FTE	Full time (head count)	Part time (head count)	FTE	Number (head count)	FTE
DEMOGRAPHIC DATA							
Gender							
Women	5	4.4	3	2	4.4	0	0
Men	0	0	0	0	0	0	0
Self-described	0	0	0	0	0	0	0
Age							
Under 25	0	0	0	0	0	0	0
25-34	1	1	1	0	1	0	0
35-44	2	1.6	1	1	1.6	0	0
45-54	1	1	1	0	1	0	0
55-64	1	0.8	0	1	0.8	0	0
Over 64	0	0	0	0	0	0	0
CLASSIFICATION DATA							
VPS 1	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0
VPS 3	0	0	0	0	0	0	0
VPS 4	2	1.6	1	1	1.6	0	0
VPS 5	2	1.8	1	1	1.8	0	0
VPS 6	1	1	1	0	1	0	0
Total	5	4.4	3	2	4.4	0	0
STS	0	0	0	0	0	0	0
Executive Officer 1	0	0	0	0	0	0	0
Executive Officer 2	0	0	0	0	0	0	0
Executive Officer 3	0	0	0	0	0	0	0
Total senior employees	0	0	0	0	0	0	0
Total employees	5	4.4	3	2	4.4	0	0

	30 JUNE 2020							30 JUNE 2021						
	ALL EMPLOYEES		ONGOING			FIXED TERM AND CASUAL		ALL EMPLOYEES		ONGOING			FIXED TERM AND CASUAL	
	Number (head count)	FTE	Full time (head count)	Part time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full time (head count)	Part time (head count)	FTE	Number (head count)	FTE
DEMOGRAPHIC DATA														
Gender														
Women	10	9	6	2	7	2	2	8	6.2	4	1	4.2	3	2
Men	1	1	0	0	0	1	1	2	2	0	0	0	2	2
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Age														
Under 25	1	1	0	0	0	1	1	1	1	0	0	0	1	1
25-34	4	4	3	0	3	1	1	3	3	2	0	2	1	1
35-44	3	2.8	2	1	2.8	0	0	5	4	2	0	2	3	2
45-54	1	1	1	0	1	0	0	0	0	0	0	0	0	0
55-64	1	1	0	0	0	1	1	0	0	0	0	0	0	0
Over 64	1	0.2	0	1	0.2	0	0	1	0.2	0	1	0.2	0	0
CLASSIFICATION DATA														
VPS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VPS 2	1	1	0	0	0	1	1	0	0	0	0	0	0	0
VPS 3	1	1	1	0	1	0	0	2	2	1	0	1	1	1
VPS 4	4	3.8	3	0	2.8	1	1	2	1.5	0	0	0	2	1.5
VPS 5	3	2.2	1	1	1.2	1	1	4	3.2	2	1	2.2	1	1
VPS 6	1	1	1	0	1	0	0	1	0.5	0	0	0	1	0.5
Total	10	9	6	1	6	3	3	9	7.2	3	1	3.2	5	4
STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Officer 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Officer 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Officer 3	1	1	1	0	1	0	0	1	1	1	0	1	0	0
Total senior employees	1	1	1	0	1	0	0	1	1	1	0	1	0	0
Total employees	11	10	7	1	7	3	3	10	8.2	4	1	4.2	5	4

Executive Officer data

As at 30 June 2021 there was one Executive Officer at the Commission.

Employment values

Work and conduct principles

The Commission is committed to applying merit and equity principles when appointing staff members. These selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Workforce Inclusion Policy

The Commission is working towards creating a balanced working environment where equal opportunity and diversity are valued. The organisation values staff with non-binary gender identities at all levels from VPS officers through to Executive level.

The Commission acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff members may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

Occupational health and safety

The goal of the Commission's Occupational Health and Safety (OH&S) Strategy is to ensure all staff remain safe and healthy at work. An OH&S Management System has been implemented across the Commission.

A significant number of complainants who contact the Commission are distressed and exhibit difficult behaviour or disclose mental health conditions. Occasionally this negatively impacts the wellbeing of staff.

The Commission has implemented measures to address this risk. Staff are offered support during weekly debrief sessions, encouraged to take a break after dealing with a challenging phone call as well as provided access to a free Employee Assistance Program.

Office-based staff are supplied with an adjustable stand-up desk, foot stools and ergonomic chairs.

The office space is kept clean and tidy and OH&S requirements for walkways have been met to ensure accessibility and safety for all staff.



The Commission's response to COVID-19

The Commission's OH&S Management System was updated throughout the year in response to the COVID-19 pandemic. A State of Emergency was declared in Victoria on 16 March 2020 and throughout 2020–2021, the Commission worked closely with CSV to implement COVID-safe plans and measures in line with Victorian Government health advice. These included:

- QR codes at entry points and physical registers for visitors for contact tracing purposes;
- remote working (from home) arrangements in workspaces that are ergonomically set up;
- access to the Employee Assistance Program, which provides free confidential support to employees and their immediate family members;
- ensuring that staff stay connected with each other with daily team check-in meetings;
- provision of a work-from-home weekly allowance to cover some of the out-of-pocket expenses incurred by staff working remotely;
- regular updates about the People and Wellbeing Hub on the Court Services Victoria intranet portal allowing staff to access a comprehensive range of webinars relating to mindfulness, mental health and wellbeing;
- providing appropriate and safe facilities in the workplace to enable good hygiene practices, including hand sanitiser, surgical masks and sanitising products;
- provision of special leave and/or reduced hours for staff, in particular those staff managing caring responsibilities and remote learning during various phases of lockdown;
- the activation of the Commission's Business Continuity Team to co-ordinate the implementation of COVID safe plans and measures;
- transition to hybrid working in early 2021.

Learning and development

The Commission pays the membership fees of The Society of Consumer Affairs Professionals (SOCAP) for permanent staff. Staff members have undertaken training courses for complaints handling professionals run by SOCAP. Staff members can also access a range of learning and development opportunities provided internally through CSV (both online and face-to-face) and externally through training providers such as the Australian Institute of Management.

Some of the training courses staff attended include:

- Dealing with difficult behaviours
- Feedback and Delegation
- Disability confidence training
- Work priorities
- Change Management
- Cyber Security Awareness
- Finance Fundamentals
- Leading Virtual Teams
- Charter of Human Rights
- Purchase to Pay (Oracle Training)
- Effective Communication
- Implementing Innovation and Continuous Improvement

Several legal staff at the Commission also undertake relevant training and development in accordance with Continuing Professional Development requirements and many have current practising law certificates. Areas of training include administrative, criminal law, human rights law and integrity and ethics.

Disclosures

Financial summary and review

Four-year financial summary

The budget provides a comparison of the financial statements for the Commission and the forecast financial information.

The financial summary and review is not subject to audit by the Victorian Auditor General's Office and is not prepared on the same basis as the Commission's financial statements.

Refer to the financial statements for comparisons of budget and actual.

Table 1: Financial summary

	2020-2021 \$'000	2019-2020 \$'000	2018-2019 \$'000	2017-2018 \$'000
Revenue from government	2,465	3,058	2,307	1,422
Total income from transactions	2,465	3,058	2,307	1,422
Total expenses from transactions	2,465	2,747	2,098	1,236
Net result from transactions – surplus / (deficit)	0	311	209	186
Net result for the period – surplus / (deficit)	0	311	208	213
Net cash flow from operating activities	226	463	240	151
Total assets	1,476	1,937	865	768
Total liabilities	895	1,205	444	554

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2020–2021, there were eight consultancies used by the Commission where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020–2021 in relation to these consultancies was \$432,606.14 (excl. GST).

Table 2: Details of individual consultancies over \$10,000

PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCL. GST)	EXPENDITURE 2020–2021 (EXCL. GST)	FUTURE EXPENDITURE (EXCL. GST)
Consulting services on strategic review	01/07/2020	31/05/2021	238,239.00	146,128.20	118,000.00
Professional legal services	30/09/2020	31/05/2021	92,757.52	92,757.52	N/A
Consulting services for complaint investigation	17/12/2020	03/03/2021	36,750.00	36,750.00	N/A
Consulting services for complaint investigation	21/01/2021	21/06/2021	33,863.63	33,863.63	N/A
Legal advice to jurisdictional error	26/10/2020	17/12/2020	32,056.79	32,056.79	N/A
Media and Communications advice	01/07/2020	31/05/2021	94,500.00	67,000.00	70,000.00
Consulting services for complaint investigation	25/01/2021	03/02/2021	13,100.00	13,100.00	N/A
Consulting services for complaint investigation	16/10/2020	16/10/2020	10,950.00	10,950.00	N/A

Details of consultancies under \$10,000

In 2020–2021, there were eight consultancies where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2020–2021 in relation to these consultancies was \$35,871.30 (excl. GST).

Table 3: Details of consultancies under \$10,000

PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCL. GST)	EXPENDITURE 2020–2021 (EXCL. GST)	FUTURE EXPENDITURE (EXCL. GST)
Annual report design	01/11/2020	24/03/2021	9,783.30	9,783.30	12,000.00
Advice on dispute with architecture firm	01/09/2020	30/09/2020	2,750.00	2,750.00	N/A
Advice on design development for D&C tender	01/02/2021	28/02/2021	6,500.00	6,500.00	N/A
Skill workshop and consulting for presentation	26/03/2021	14/05/2021	3,800.00	3,800.00	N/A
Advice on investigating panel matter	06/11/2020	31/03/2021	7,530.00	7,530.00	N/A
Professional advice to Fit-out design and construction contract	01/02/2021	28/02/2021	2,200.00	2,200.00	N/A
Outplacement consulting services	28/06/2021	28/06/2021	1,850.00	1,850.00	N/A
Professional service on BCA Review for concept plan (Proj 11620)	01/02/2021	28/02/2021	1,458.00	1,458.00	N/A



Information and Communication Technology expenditure

Details of Information and Communication Technology (ICT) expenditure

In 2020–2021, the Commission had a total ICT expenditure of \$130,296 with the details shown below.

Table 4: Total ICT expenditure

(\$ THOUSAND)

All operational ICT expenditure		ICT Expenditure related to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (Non-BAU) ICT expenditure	Operational Expenditure	Capital Expenditure
124,026	6,270	6,270	0
Total = Operational expenditure and capital expenditure			130,296

ICT expenditure refers to the Commission's costs in providing business-enabling ICT services within the current reporting period. It comprises BAU ICT expenditure and non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the Commission's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which mainly relates to ongoing activities that operate and maintain the current ICT capability.

Office-based environmental impacts

Energy and water consumption

Water usage is not billed separately as it is included in the lease of the building. Electricity consumption is billed separately.

Paper purchasing

Paper supplies are bought through the State Purchase Contract with Complete Office Supplies. The paper used is 100% Recycled Bright White Australian (made in Victoria) and is certified carbon neutral under the National Carbon Offset Standard's Carbon Neutral Program.

Plants

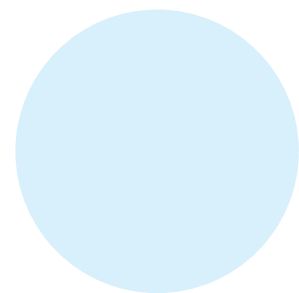
There are planter boxes in the main office and in individual offices which staff members tend to.

Transportation

Most staff use sustainable transport to get to and from work. The main mode is public transport – train and tram. Some staff members use active transport, such as walking and cycling. End-of-trip facilities include drying space and showers.

Waste generation

Waste is managed through a contract supplied by building management of the leased premises and it includes Comix/Recyclables. All paper is recycled.



Freedom of Information

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right to access documents held by the Commission. The purpose of the FOI Act is to give the community the right to access information held by government departments, local councils, Ministers and other bodies subject to the FOI Act.

Information on the type of material produced by the Commission is available on its website under the Part II information Statement.

Whilst an applicant has a right to apply for access to documents held by the Commission, including documents created by the Commission or supplied to the Commission by an external organisation or individual, under section 143 of the JCoV Act, the FOI Act does not apply to a document where the document discloses information that relates to a complaint, referral or investigation of the Commission.

The FOI Act allows the Commission to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege such as legal advice, personal information about other people and information provided to the Commission in confidence. If an applicant is not satisfied by a decision made by the Commission, under section 49A of the FOI Act, they have the right to ask for a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

The Commission did not receive any Freedom of Information (FOI) requests in 2020-21. FOI requests are handled in accordance with guidelines and processes set down by the OVIC.

Making a request

FOI requests can be lodged online at <https://online.foi.vic.gov.au>. An application fee of \$29.60 applies and charges may also apply if the document pool is large.

Access to documents can also be obtained via a written request to the Commission's Freedom of Information team, as seen in section 17 of the FOI Act.

When making an FOI request, applicants must request information in writing, and clearly identify what types of material/documents they are seeking.

Requests for documents at the Commission go to:

Freedom of Information Team
Judicial Commission of Victoria
GPO Box 4305
Melbourne VIC 3001

Compliance with the Building Act 1993

The Commission does not own or control any government buildings and therefore is excused from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Victorian Industry Participation Policy Act 2003

The *Victorian Industry Participation Policy Act 2003* must be applied to all procurement activities valued at \$3 million, or more, in metropolitan Melbourne and for state-wide projects, or \$1 million or more in regional Victoria.

The Commission did not commence or complete any such procurement activities in 2020–2021.



Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012*¹² (PID Act) encourages people to disclose improper conduct by public officers and public bodies and provides protection to those who make disclosures in accordance with the Act or anyone who may suffer detrimental action in reprisal for those disclosures. The PID Act establishes a system for ensuring disclosures are properly assessed and where appropriate investigated and provides for both the confidentiality of the content of the disclosure and the identity of the people who make them.

Reporting procedures

The Commission can receive Public Interest Disclosures about judicial officers and non-judicial members of VCAT. Disclosures of improper conduct about a judicial officer or non-judicial member of VCAT should be made to the Director of the Judicial Commission.

The Commission has processes in place to protect people who make such disclosures from any detrimental action that could come from making such disclosures and will also afford natural justice to the person who is the subject of the disclosure.

The Commission does not accept improper conduct by employees. It is committed to ensuring transparency and accountability in its administrative and management practices. The Commission supports disclosures that reveal corrupt conduct, a criminal offence, serious professional misconduct, the dishonest performance of public functions, breach of public trust, misuse of information or material acquired in the course of performing public functions, a substantial mismanagement of public resources, or a substantial risk to health and safety or the environment.

Disclosures of improper conduct by the Commission or any of its employees must be made to the:

- Independent Broad-based Anti-corruption Commission (IBAC); or
- Victorian Inspectorate

Further information

The Public Interest Disclosures Policy and Procedures, is available on the Commission's website and outlines the system for reporting disclosures of improper conduct or detrimental action.

¹² In 2019, the *Public Interest Disclosures Act (2012)* superseded the *Protected Disclosures Act (2012)*

Disclosure under the Public Interest Disclosures Act 2012

The number of disclosures made by an individual to the Commission and notified to IBAC.

2020-21	NO.
Assessable disclosures	Nil

Compliance with the Carers Recognition Act 2012

The Commission complies with its obligations under the *Carers Recognition Act 2012 (Vic)* by ensuring all new employees are aware of their rights under the legislation. It also ensures that existing employees, who have carer responsibilities, are supported to balance work responsibilities and caring commitments in accordance with the Victorian Public Service Enterprise Agreement 2020.

The Commission also has people management policies that support the guiding principles of the Act, including those listed below.

- Employee Assistance Program
- Personal/Carer's Leave Policy
- Flexible Working Arrangements Policy
- Respect in the Workplace Policy
- Hours of Work Policy
- Purchased Leave Policy
- Special Leave Policy due to the pandemic

Additional Commission information available on request

In compliance with the Standing Directions of the Minister for Finance, the items listed below have been retained by the Commission and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- A statement that declarations of pecuniary interests have been duly completed by all relevant Officers of the Commission
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- Details of publications produced by the Commission about itself, and how these can be obtained
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A list of major committees sponsored by the Commission, the purpose of each committee and the extent to which the purposes has been achieved
- Details of consultancies and contractors including:
 - Consultants/contractors engaged
 - Services provided
 - Expenditure committed to for each engagement.

The information is available on request from the Commission.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Commission made zero data sets available on the DataVic website in 2020–2021.

Information included in this annual report will also be available at www.judicialcommission.vic.gov.au in electronic readable format.



JCV Disclosure Index

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SECTION 6

Financial Statements

06



Judicial Commission of Victoria - Financial Statements

How this report is structured

Judicial Commission of Victoria (JCV) has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about JCV's stewardship of resources entrusted to it.

Declarations:	Declaration in the financial statements
	Independent Auditor's Report
Financial Statements:	Comprehensive operating statement
	Balance sheet
	Cash flow statement
	Statement of changes in equity
Notes to the financial statements	1. About this report The basis on which the financial statements have been prepared and compliance with reporting regulations.
	2. Funding delivery of our services
	2.1 Summary of income that funds the delivery of our services
	3. The cost of delivering services
	3.1 Expenses incurred in delivery of services
	3.2 Supplies and services
	4. Key assets available to support output delivery
	4.1 Property, plant and equipment
	4.2 Intangible assets
	5. Other assets and liabilities
	5.1 Receivables
	5.2 Payables
	6. Funding our operations
	6.1 Lease Liabilities (JCV as lessee)
	6.2 Cash flow information and balances
	6.3 Commitments for expenditure
	7. Risks, Contingencies and Valuation Judgements
	7.1 Financial instruments specific disclosures
	7.2 Contingent assets and contingent liabilities
	8. Other disclosures
	8.1 Other economic flows included in net result
	8.2 Responsible persons
	8.3 Key management personnel
	8.4 Remuneration of executives
	8.5 Remuneration of auditors
	8.6 Other accounting policies
	8.7 Subsequent events
	8.8 Changes in accounting policies
	8.9 Australian Accounting Standards issued that are not yet effective
	9. Glossary of technical terms and style conventions

Declaration in the financial statements

The attached financial statements for the Judicial Commission of Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions 2018 under the *Financial Management Act 1994*, applicable Financial Reporting Directions (FRDs), Australian Accounting Standards including interpretations, and other mandatory professional

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the Judicial Commission of Victoria at 30 June 2021.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 22 October 2021.



**The Honourable Chief Justice
Mary Anne Ferguson**
Chair of the Board
Judicial Commission of Victoria

Melbourne
22 October 2021




Alexis Eddy
Director
Judicial Commission of Victoria

Melbourne
22 October 2021

Salvatore Costanzo
Chief Finance Officer
Judicial Commission of Victoria

Melbourne
22 October 2021

Independent Auditor's Report

To the Board of the Judicial Commission of Victoria

Opinion I have audited the financial report of the Judicial Commission of Victoria (the Commission) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration in the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The Board's responsibilities for the financial report The Board of the Commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
25 October 2021



Janaka Kumara
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement For the financial year ended 30 June 2021

	NOTE	2021 \$'000	2020 \$'000
Continuing operations			
Income from transactions			
Special appropriations	2.1	37	10
Grants	2.1	2,428	3,048
Total income from transactions		2,465	3,058
Expenses from transactions			
Employee expenses	3.1.1	1,358	1,344
Depreciation and amortisation	4.1.1	282	272
Interest expense	6.1.2	9	11
Supplies and services	3.2	817	942
Loss on disposal on non-financial assets (i)		0	178
Total expenses from transactions		2,465	2,747
Net result from transactions (net operating balance)		0	311
Other economic flows included in net result			
Net gain/(loss) on revaluation of building		(132)	0
Net gain/(loss) on financial instruments	8.1	0	(22)
Net gain/(loss) arising from revaluation of long service liability	8.1	2	(0)
Total other economic flows included in net result		(130)	(22)
Net result		(130)	289
Comprehensive result		(130)	289

(i) non-financial assets were decommissioned during the year to make way for refurbishment. The accompanying notes form part of these financial statements.

Balance Sheet As at 30 June 2021

	NOTE	2021 \$'000	2020 \$'000
Financial assets			
Cash and deposits	6.2	240	240
Receivables	5.1	572	423
Total financial assets		812	663
Non-financial assets			
Property, plant and equipment	4.1	598	1,147
Intangible assets	4.2	66	105
Prepayments		0	0
Total non-financial assets		664	1,252
Total assets		1,476	1,915
Liabilities			
Payables	5.2	85	117
Leases	6.1.1	661	887
Provisions	3.1.2	150	201
Total liabilities		895	1,205
Net assets		580	710
Equity			
Accumulated surplus/(deficit)		580	710
Net worth		580	710

The accompanying notes form part of these financial statements.

Cash Flow Statement For the financial year ended 30 June 2021

	NOTE	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts			
Receipts from Government		2,317	2,886
Total receipts		2,317	2,886
Payments			
Payments to suppliers and employees		(2,082)	(2,412)
Interest and other costs of finance paid		(9)	(11)
Total payments		(2,091)	(2,423)
Net cash flows from/(used in) operating activities	6.2.1	226	463
Cash flows from investing activities			
Purchases of non-financial assets		0	(286)
Net cash flows from/(used in) investing activities		0	(286)
Cash flows from financing activities			
Repayment of principal portion of right of use leases		(226)	(177)
Net cash provided by/(used in) financing activities		(226)	(177)
Net increase (decrease) in cash held		0	0
Cash and cash equivalents at the beginning of the financial year		240	240
Cash and cash equivalents at the end of the financial year		240	240

The accompanying notes form part of these financial statements.

Statement of Changes in Equity For the financial year ended 30 June 2021

2021 \$'000	NOTE	ACCUMULATED SURPLUS/ (DEFICIT) \$'000 (I)	TOTAL \$'000
		710	710
Balance as at 1 July 2020		710	710
Net result for the year		(130)	(130)
Balance at 30 June 2021		580	580

2020 \$'000	NOTE	ACCUMULATED SURPLUS/ (DEFICIT) \$'000	TOTAL \$'000
		421	421
Balance as at 1 July 2019		421	421
Net result for the year		289	289
Balance at 30 June 2020		710	710

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

1. About this report

The Judicial Commission of Victoria (JCV) was established on 1 July 2017 under the *Constitution Act 1975* as an independent body to investigate complaints about judicial officers and non-judicial members of the Victorian Civil and Administrative Tribunal (VCAT) to ensure public confidence and trust in the system is maintained.

JCV's activities and governance are defined within the *Judicial Commission of Victoria Act 2016* and the *Constitution Act 1975*.

JCV's principal address is GPO Box 4305, Melbourne, VIC 3000.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. The financial report has been prepared on a going concern basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of JCV.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owner.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgments, estimates and assumptions are required to be made about financial information being presented. Significant judgments made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgments. Estimates and associated assumptions are based on professional judgment derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading 'Change in accounting policies'.

These financial statements cover JCV as an individual reporting entity and include all the controlled activities of JCV. All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AAS, which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

JCV has considered the impact of COVID-19 on its financial statements. There are no material impacts as at 30 June 2021.

2. Funding delivery of our services

Introduction

JCV is an independent body established by legislation to investigate complaints about judicial officers and non-judicial members of the Victorian Civil and Administrative Tribunal (VCAT).

Structure

- 2.1 Summary of income that funds the delivery of our services

2.1 Summary of income that funds the delivery of our services

	2021 \$'000	2020 \$'000
Special appropriations	37	10
Grants	2,428	3,048
Total income from transactions	2,465	3,058

Revenue and income that fund delivery of JCV's services are accounted for consistently with the requirements of AASB 1058, as disclosed in the following notes.

Appropriations

Special appropriations: Income from special appropriations is recognised on a cash basis.

Grant Income

The JCV is funded for the provision of outputs consistent with its statutory function by accrual-based grants derived from monies appropriated annually by Parliament through Court Services Victoria (CSV).

Grant income for investigating panel expenditure is recognised when a present obligation for such expenditure has been incurred as a result of services provided prior to balance date relating to a complaint or referral being referred to an Investigating Panel.



3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by JCV in delivering the services and outputs it received income for, as outlined in section 2.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Supplies and services

3.1 Expenses incurred in delivery of services

	NOTES	2021 \$'000	2020 \$'000
Employee benefit expenses	3.1.1	1,358	1,344
Supplies and services	3.2	817	942
Total expenses incurred in delivery of services		2,175	2,286

3.1.1 Employee benefit expenses in the comprehensive operating statement

		2021 \$'000	2020 \$'000
Defined contribution superannuation expense	3.1.3	104	98
Salaries and wages		1,039	1,000
Leave expenses (annual leave and long service leave)		114	161
Other on-costs (fringe benefits tax, payroll tax, training and WorkCover levy)		100	85
Total employee expenses		1,358	1,344

Employee expenses encompasses all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2021 \$'000	2020 \$'000
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	40	59
Unconditional and expected to settle after 12 months	8	8
Long service leave		
Unconditional and expected to settle within 12 months	12	16
Unconditional and expected to settle after 12 months	56	74
Provisions for on-costs		
Unconditional and expected to settle within 12 months	13	19
Unconditional and expected to settle after 12 months	11	13
Total current provisions for employee benefits	140	189
Non-current provisions		
Employee benefits	8	10
On-costs	2	2
Total non-current provisions for employee benefits	10	12
Total provisions for employee benefits	150	201

Reconciliation of movement in on-cost provision

	2021 \$'000	2020 \$'000
Opening balance	34	15
Additional provisions recognised	3	26
Reductions arising from payments/other sacrifices of future economic benefits	(12)	(7)
Closing balance	25	34
Current	23	32
Non-current	2	2
Total	25	34

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because JCV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates that are current at the reporting date. As JCV expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as JCV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional long service leave is disclosed as a current liability even where JCV does not expect to settle the liability within 12 months, as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current long service leave liability are measured at:

- undiscounted value – if JCV expects to wholly settle within 12 months; or
- present value – if JCV does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Superannuation contribution

Employees of JCV are entitled to receive superannuation benefits and JCV contributes to defined contribution plans.

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Defined contribution plans:				
VicSuper	55	43	2	1
Various other	46	53	1	1
Total	101	96	3	2

3.2 Supplies and services

	NOTE	2021 \$'000	2020 \$'000
Accommodation and property services		80	95
Contractors, professional services and consultants		498	698
Printing, stationery and other office expenses		28	42
Technology services		62	61
Repairs and maintenance		99	1
Other		50	44
Total supplies and services		817	942

Supplies and services expenses generally represent day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred. These expenses include lease payment as discussed below. The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term 12 months or less; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10 000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive operating statement in the period in which the event or condition that triggers those payments occur.



Investigating Panel expenditure

Investigating Panel Expenditure of \$133k (2020:\$389k) is made up of contractors, professional services, consultants and other costs (such as salaries and wages, stationery and transcript cost).

A liability for Investigating Panel expenditure is recognised when a present obligation for such expenditure has been incurred as a result of services provided prior to balance date relating to a complaint or referral being referred to an Investigating Panel, it is likely that there will be a consequent outflow of economic benefits and the amount of the obligation can be measured reliably. The liability for investigating panel expenditure at 30 June 2021 is \$Nil (2020: \$Nil).

4. Key assets available to support output delivery

Introduction

JCV controls non-financial assets that are utilised in fulfilling its objectives and conducting activities. These non-financial assets represent the key resources that have been entrusted to JCV to be utilised for delivery of its outputs

Structure

- 4.1 Property, plant and equipment
- 4.2 Intangible assets

4.1 Property, plant and equipment

	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION AMOUNT		NET CARRYING AMOUNT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Buildings at fair value ⁽ⁱ⁾	476	1,064	(0)	(228)	476	836
Plant and equipment at fair value	147	36	(25)	(11)	122	25
Assets under construction at cost	0	286	0	0	0	286
Total property, plant and equipment	623	1,386	(25)	(239)	598	1,147

Note:

(i) An independent revaluation of JCV's Right-of-use assets were performed by Jones Lang LaSalle. The valuation was based on direct comparison method where by existing rental of the building was compared against the current market rental under the existing lease agreement. The effective date of the valuation is 30 June 2021.

The following tables are subsets of buildings, and plant and equipment by right-of-use assets

4.1(a) Total right-of-use assets: buildings, plant, equipment and vehicles

	GROSS CARRYING AMOUNT 2021	ACCUMULATED DEPRECIATION 2021	NET CARRYING AMOUNT 2021	GROSS CARRYING AMOUNT 2020	ACCUMULATED DEPRECIATION 2020	NET CARRYING AMOUNT 2020
Buildings at fair value	476	(0)	476	1,064	(228)	836
Net carrying amount	476	(0)	476	1,064	(228)	836

	BUILDINGS AT FAIR VALUE 2021	BUILDINGS AT FAIR VALUE 2020
Opening Balance	836	1,064
Additions	0	0
Depreciation	(228)	(228)
Revaluation of property	(132)	
Closing Balance	476	836

Initial recognition: Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation. Where an asset is acquired for no or nominal cost, a fair value is determined at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or its estimated useful lives.

Right-of-use asset acquired by lessees - Initial measurement

JCV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset and public announcements or commitments made in relation to the intended use of the asset). This net carrying amount of property, plant and equipment is considered a reasonable approximation of its fair value.

Right-of-use asset – Subsequent measurement: JCV depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The ROUAs are subject to revaluation as required by FRD 103I and are periodically adjusted for certain remeasurements of the lease liability,



4.1.1 Depreciation Charge for the period

	NOTE	2021 \$'000	2020 \$'000
Buildings (Right-of-use)		228	228
Plant and equipment at fair value		14	4
Total property, plant and equipment		242	232

All property, plant and equipment that have finite useful lives, are depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life years
Right-of-use Building	5
Plant and equipment	5 to 10
Intangible assets	5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where CSV obtains ownership of the underlying asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 Reconciliation of movements in carrying values of property, plant and equipment

	BUILDINGS AT FAIR VALUE	LEASEHOLD IMPROVEMENTS AT FAIR VALUE	PLANT AND EQUIPMENT AT FAIR VALUE	ASSETS UNDER CONSTRUCTION AT COST	TOTAL
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	836	0	25	286	1,147
Disposals				(174)	(174)
Depreciation	(228)	0	(14)	0	(242)
Revaluation of property	(132)				(132)
Transfer in/out of assets under construction			111	(111)	0
	476	0	122	0	598

	BUILDINGS AT FAIR VALUE	LEASEHOLD IMPROVEMENTS AT FAIR VALUE	PLANT AND EQUIPMENT AT FAIR VALUE	ASSETS UNDER CONSTRUCTION AT COST	TOTAL
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	0	178	30	0	209
Recognition of right-of-use assets on initial application of AASB 16	1,064				1,064
Adjusted balance at 1 July 2019	1,064	178	30		1,272
Additions	0	0	0	286	286
Disposals		(178)			(178)
Depreciation	(228)	0	(4)	0	(232)
Closing balance	836	0	25	286	1,147

4.2 Intangible assets

	COMPUTER SOFTWARE	
	2021 \$'000	2020 \$'000
Gross carrying amount		
Opening balance	197	197
Additions	0	0
Gross value at the end of the financial year	197	197
Accumulated amortisation and impairment		
Opening balance	(92)	(53)
Amortisation	(39)	(39)
Closing balance	(131)	(91)
Net book value at the end of the financial year	66	105

Notes:

(i) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item on the comprehensive operating statement. Refer Note 4.1.1.

Initial recognition and subsequent measurement

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. Intangible assets not yet available for use are tested annually for impairment and whenever there is an indication that the asset may be impaired. JCV has no intangible assets with indefinite useful lives.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from JCV's controlled operations.

Structure

- 5.1 Receivables
- 5.2 Payables

5.1 Receivables

	2021 \$'000	2020 \$'000
Current receivables		
Statutory		
Amounts owing from Victorian Government	572	423
	572	423
Total receivables	572	423
<i>Represented by:</i>		
Current receivables	572	423

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due. All of JCV's receivables are statutory receivables.

5.2 Payables

	2021 \$'000	2020 \$'000
Current Payables		
Contractual		
Trade creditors and other payables	47	69
Salaries and wages	37	48
Total payables	85	117
<i>Represented by:</i>		
Current payables	85	117

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to JCV prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Contractual payables have an average maturity of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.



6. Financing our operations

Introduction

This section provides information on the sources of finance utilised by JCV during its operations and other information related to the financing of activities.

Structure

- 6.1 Lease Liabilities (JCV as lessee)
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure

6.1 Lease Liabilities

JCV leases offices, motor vehicles and plant and equipment for varying lease terms to meet its operational needs. The leases have varying terms, escalation clauses and renewal rights. JCV's lease commitments and policy is discussed in detailed below.

6.1.1 Lease Liabilities (JCV as lessee)

	MINIMUM FUTURE LEASE PAYMENTS		PRESENT VALUE OF MINIMUM LEASE PAYMENTS	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
INTEREST BEARING LEASE LIABILITIES				
Lease liabilities payable				
Not longer than 1 year	244	234	238	226
Longer than 1 year and not longer than 5 years	427	671	423	661
Minimum future lease payments	671	905	661	887
Less future finance charges	(10)	(19)		
Present value of minimum lease payments	661	887	661	887
Included in the financial statements as:				
Current borrowings lease liabilities			238	226
Non-current borrowings lease liabilities			423	661
Total lease liabilities			661	887

6.1.2 Amounts relating to leases recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases.

	2021 \$'000	2020 \$'000
Interest expense on lease liabilities	9	11
Total Amount recognised in the comprehensive operating statement	9	11

6.1.3 Total cash outflows for leases

The following amounts are recognised in the Statement of Cash Flows for the year ending 30 June 2021 relating to leases.

	2021 \$'000	2020 \$'000
Total cash outflow	234	188

6.1.4 Lease policy

For any new contracts entered into JCV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition JCV assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to JCV and for which the supplier does not have substantive substitution rights;
- Whether JCV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and JCV has the right to direct the use of the identified asset throughout the period of use; and
- Whether JCV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

a. Lease Liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or JCV's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

b. Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

c. Short-term leases and leases of low-value assets

JCV has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and liability, the payments in relation to these are recognised as an expense in the Operating Statement on a straight-line basis over the lease term.

d. Presentation of right-of-use assets and lease liabilities

JCV presents in the balance sheet right-of-use assets as 'buildings at fair value' and 'property plant equipment'. Lease liabilities are presented as 'leases' in the balance sheet.

6.2 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank that are held for the purpose of meeting short-term cash commitments, rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Due to the State's investment policy and funding arrangements, JCV does not hold a bank account in its name and uses CSV's bank account. Cash received from generation of income is generally paid into the State's bank account ('public account').

Similarly, JCV expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors, is made via the public account. The public account remits to CSV the cash required upon presentation of cheques by JCV's suppliers or creditors.

These funding arrangements may result in JCV having a notional shortfall in the cash required, and any monies owed to JCV, are received via CSV through the State Administered Unit (SAU) debtors account. Amounts receivable at balance date are shown in note 5.1.

For cash flow statement presentation purposes, cash and cash equivalents comprise the cash balance and funds held in trust, \$0.24 million (2020: \$0.24 million.)

6.2.1 Reconciliation of net result for the period to cash flow from operating activities

	2021 \$'000	2020 \$'000
Net result for the period	(130)	289
Non-cash movements:		
Depreciation and amortisation of non-current assets	282	272
Loss on disposal on non-financial assets	0	178
Transfer from work in progress	174	0
Net loss on revaluation of building	132	0
Movements in net assets and liabilities		
Decrease/(increase) in receivables	(149)	(151)
Decrease/(increase) in prepayments	0	0
Increase/(decrease) in payables	(32)	(242)
Increase/(decrease) in provisions	(51)	116
Net cash from/(used in) operating activities	226	463

6.3 Commitments for expenditure

Commitments for future expenditure include operating commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable Nominal Amounts: 2021

Nominal Amounts: 2021

	LESS THAN 1 YEAR \$'000	BETWEEN 1 AND 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
Operating commitments payable	0	0	0	0
Total commitments (inclusive of GST)	0	0	0	0
Less GST recoverable	0	0	0	0
Total commitments (exclusive of GST)	0	0	0	0

Nominal Amounts: 2020

	LESS THAN 1 YEAR \$'000	BETWEEN 1 AND 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
Operating commitments payable	13	0	0	13
Total commitments (inclusive of GST)	13	0	0	13
Less GST recoverable	1	0	0	1
Total commitments (exclusive of GST)	12	0	0	12

7. Risks, contingencies and valuation judgements

Introduction

JCV is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgments and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgment to be applied, which for JCV relate mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Categories of financial assets under AASB 9

AASB 9 requires JCV to classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

JCV has no financial assets classified as “at fair value through other comprehensive income” or “at fair value through profit or loss”.

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by JCV to collect the contractual cash flows, and
- the assets’ contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

JCV recognises the following assets in this category:

- cash and deposits.

Categories of financial liabilities under AASB 9

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. JCV recognises payables in this category:

- payables (excluding statutory payables).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- JCV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
- JCV has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where JCV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of JCV’s continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an ‘other economic flow’ in the comprehensive operating statement.

Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when JCV’s business model for managing its financial assets has changes such that its previous model would no longer apply.

However, JCV is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

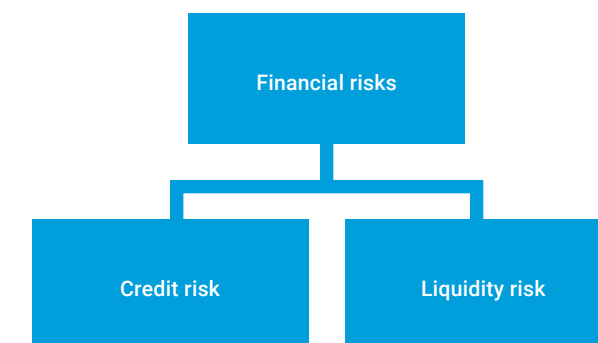
If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

7.1.1 Financial instruments: Categorisation

	CATEGORY	2021 \$'000	2020 \$'000
Contractual financial assets			
Funds held in Trust	Cash and deposits	240	240
Total contractual cash and deposits		240	240
Total contractual financial assets		240	240
Contractual financial liabilities			
Payable:			
Trade creditors and other payables	Financial liabilities at amortised cost	47	69
Salary and wages		37	48
Total contractual financial liabilities		85	117

Notes: The total amounts disclosed here exclude leases that are not in the scope of AASB 9 and statutory amounts (e.g. amounts owing from Victoria Government, GST input tax credit recoverable and taxes payable.)

7.1.2 Financial risk management objectives and policies



As a whole, JCV’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 7.1 above.

The main purpose in holding financial instruments is to prudentially manage JCV’s financial risks within the government policy parameters.

JCV main financial risks include credit risk and liquidity risk. JCV manages these financial risks in accordance with its financial risk management policy.

JCV uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with JCV’s Board. The Board is supported by the JCV Accountable Officer and Chief Finance Officer for financial risk management reporting.

Financial instruments: Credit Risk

Credit risk refers to the possibility that a debtor will default on its financial obligations as and when they fall due. JCV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to JCV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with JCV's contractual financial assets is minimal as its main debtor is the Victorian Government. For debtors other than the Government, JCV monitors outstanding debtors on a monthly basis.

In addition, JCV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that JCV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings. At 30 June 2021 JCV's contractual financial assets are neither past due nor impaired.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents JCV's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to JCV's credit risk profile in 2020-21.

Credit quality of financial assets

	FINANCIAL INSTITUTION (triple-A credit rating)	GOVERNMENT AGENCIES (triple-A credit rating)	GOVERNMENT AGENCIES (triple-B credit rating)	OTHER (min triple-B credit rating)	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Financial assets					
Financial assets with loss allowance measured at 12-month expected credit loss					
Cash and deposits	0	240	0	0	240
Total financial assets	0	240	0	0	240
2020					
Financial assets					
Financial assets with loss allowance measured at 12-month expected credit loss					
Cash and deposits	0	240	0	0	240
Total financial assets	0	240	0	0	240

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

JCV applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. JCV has determined that it does not have any contractual receivables at 30 June 2021 (2020: \$nil).

Statutory receivables at amortised cost

JCV's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. JCV operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

JCV is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. JCV manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

JCV's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. There is contingent asset of \$178k for the recovery of leasehold improvement costs from a previous tenancy in 2019.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable. There are no non-quantifiable contingent liabilities to be reported or disclosed.

At 30 June 2021 JCV's quantifiable contingent liability is a "make good" obligation under a lease of premises.

The quantified contingent liability of \$0.039 million (2020: \$0.039 million) is the estimated maximum amount JCV might incur in meeting this obligation.



8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Other economic flows included in net result
- 8.2 Responsible persons
- 8.3 Key management personnel
- 8.4 Remuneration of executives
- 8.5 Remuneration of auditors
- 8.6 Other accounting policies
- 8.7 Subsequent events
- 8.8 Changes in accounting policies
- 8.9 Australian Accounting Standards issued that are not yet effective

8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

	2021 \$'000	2020 \$'000
(a) Net gain/(loss) on financial instruments		
Bad debts written off	0	(22)
Total net gain/(loss) on financial instruments	0	(22)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability.	2	(0)
Total other gains/(losses) from other economic flows	2	(0)



8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Minister and Accountable Officer in JCV are as follows:

Responsible Minister

Attorney-General, The Hon. Jill Hennessy MP
Acting Attorney-General, The Hon. Daniel Andrews MP
Attorney-General, The Hon. Jaclyn Symes MP

Period

1 July 2020 to 16 December 2020
17 December 2020 to 21 December 2020
22 December 2020 to 30 June 2021

Accountable Officer

Director, Alexis Eddy

Period

1 July 2020 to 30 June 2021

Governing Body

The persons who held membership of the Board of JCV are as follows:

Member Names

The Honourable Chief Justice Mary Anne Ferguson, Chair
The Honourable Chief Judge Peter Kidd
Her Honour Chief Magistrate Lisa Hannan
Her Honour Judge Amanda Chambers
His Honour Judge Vandersteen
His Honour State Coroner Judge John Cain
The Honourable Justice Michelle Quigley
Mr Graham Atkinson
Ms Claire Keating
Ms Helen Silver AO
Dr Helen Szoke AO

Period

1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 31 December 2020
1 January 2021 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021
1 July 2020 to 30 June 2021

Remuneration: Accountable Officer

REMUNERATION RANGE	2021 NO.	2020 NO.
\$50,000-\$59,999	0	1
\$160,000-\$169,999	0	1
\$230,000-\$239,000	1	0
	1	2

Remuneration: Non-Judicial Members

REMUNERATION RANGE	2021 NO.	2020 NO.
\$0 - \$9,999	4	4
	4	4

Judicial members of the responsible body are remunerated under the *Judicial Entitlements Act 2015* as holders of judicial positions defined by the respective acts of law that create the Victorian judiciary, namely the *Constitution Act 1975 s 82*, *County Court Act 1958 s.10*, *Magistrates Court Act shc.1 Pt1 cl.10* and *Victorian Civil and Administrative Tribunal Act. 1998 s.17AA*. The Judicial members receive no additional remuneration in their capacity as members of the Board of the Judicial Commission of Victoria.

8.2.1 Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

JCV receives grant income from appropriations received by CSV as shown in note 2.1. JCV receives administrative support from CSV under a memorandum of understanding between the two entities.

During the period from 1 July 2020 to 30 June 2021, there were no related party transactions that involved key management personnel for JCV.

8.3 Key Management Personnel

Key management personnel of JCV includes the responsible Minister, members of the Governing Body, and Accountable Officer.

Remuneration of key management personnel comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accruals basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

The remuneration detailed below excludes the salaries and benefits the Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

The remuneration of the Judicial members of the responsible body as holders of judicial positions is also excluded. The Judicial members receive no additional remuneration in their capacity as members of the Board of the Judicial Commission of Victoria.

Remuneration of executive officers

	2021	2020
Short-term employee benefits	210	202
Post-employment benefits	20	19
Other long-term benefits	5	5
Total remuneration (i)	235	226

Note:

(i) Total remuneration includes non-judicial members paid for attending sessional board meetings and the accountable officer.

8.4 Remuneration of executive officers

Other than the Director, who is the Accountable Officer, there are no other executive officers employed by JCV.

8.5 Remuneration of auditors

	2021 \$'000	2020 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	22	14
Total remuneration of auditors	22	14

8.6 Other accounting policies

Contributions by owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of JCV.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

8.7 Subsequent events

There are no subsequent events for the financial year ending 30 June 2021.

8.8 Change in accounting policies

There has been no changes in the accounting policies during the year.

8.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the JCV Annual Financial Statements. JCV is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

JCV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact. Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on JCV's reporting.

- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures.
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2.
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.
- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.



Glossary of technical terms and style conventions

Comprehensive result is the amount included in the comprehensive operating statement representing total change in net worth other than transactions with owners as owners.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset is any asset that is:

- a. cash;
- b. an equity instrument of another entity;
- c. a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d. a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a. a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b. a contract that will or may be settled in the entity's own equity instruments and is:
 - a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in this report comprises:

- a. a balance sheet as at the end of the period;
- b. a comprehensive operating statement for the period;
- c. a statement of changes in equity for the period;
- d. a cash flow statement for the period;
- e. notes, comprising a summary of significant accounting policies and other explanatory information;
- f. comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*; and
- g. a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing are grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Interest expense represents costs incurred in connection with leases. It includes interest on lease repayments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or **net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes land, buildings, plant and equipment, cultural and heritage assets and intangibles.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and salaries and wages payable.

Present Value is a financial calculation that measures the worth of future amount of money in today's dollars adjusted for interest and inflation.

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of JCV.

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax, land tax and duties levied principally on conveyances and land transfers;
- insurance duty relating to compulsory third party, life and non life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, licence and concession fees.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx)	negative numbers
200x	year period
200x 0x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2020-21 Model Report for Victorian Government Departments.





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Annual Report 2020–2021